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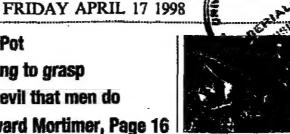


THE PERSON AND STREET

FT Weekend tomorrow The concluding chapter to the French student troubles of 1968 has been written



Pol Pot Trying to grasp the evil that men do **Edward Mortimer, Page 16** 



Pain control The answer may lie in the Ecuadorean tree frog Technology, Page 8

Ukraine Big business behind political parties Page 2

#### WORLD NEWS

#### Communists warn Yeltsin they will vote again to block Kiriyenko as PM

Russia's Communist party confirmed its deputies would oppose President Borls Yeltsin's appointment of Sergei Kirlyenko as prime minister in a vote today in the lower house of partiament. The Duma has rejected Kiriyenko once and if it falls three times to confirm Mr Yeltsin's nominee, he can dissolve the house, Page 2

Cambodian killer Pol Pot is dead Pol Pot, genocidal killer of as many as 2m countrymen, was pronounced dead in the Cambodian jungle, surrounded by remnants of his Khmer Rouge guerrilla force. Page 6; Icons of svil, Page 16

IMF told to reduce secrecy The International Monetary Fund must become less secretive and more accountable to the public, finance ministers were told at the IMF's spring meeting. Page 18; Tea leaves in Jakarta, Page 17

Boeing feet wiring checks urged More than 1,100 Boeing 737 aircraft in the US need to improve the safety of fuel gauge wiring to prevent electrical surges and abort oircults in fuel tanks, the Federal Avistion Administration said.

Solidarity opposes coal curback The Solidarity mining union attacked plans by the Polish govemment to return Europe's largest remaining coal industry to profit by cutting jobe by almost half and reducing output. Page 3

Spain's defence chief under fire Spain's third biggest party in par-liament, the Communist-led United Left, called for the dismissal of defence minister Eduardo Serra over alleged phone-tapping by the Cesid intelligence agency against

Basque political party. Page 3 El tobacco ad ban on course ban on tobacco advertising are likely to be backed by a key Euro-pean Parliament committee in spite of a challenge saying a ben has no basis in EU law. Page 2

CDU proposes social overheat German chancellor Helmut Kohl's Christian Democratic Union unveiled an election agenda that would overheul social traditions by encouraging profit-sharing and funded pension schemes, and rein ing back the state. Page 2

Terkey reopens Ciller probe Turkey's parliament voted to open a fresh investigation into alleged irregularities in the recent accumulation of wealth by former prime minister Taneu Cilier. Page 2

Troops clash with Kashinir rebels indian troops cordoned off two viiages in Kashmir and exchanged gunfire with Muslim rebals. Police said 16 guerrilles, three soldiers and two civilians were killed.

UK set to act on deteution centres UK ministers were set to introduce regulations for immigration detention centres after a report condemned them as "unsafe". The number of asytum seekers in the UK rose from 2,000 in the 1980s to 32,500 last year. Page 7; Editorial Comment, Page 17

Norman shares economics prize Peter Norman, Bonn correspondent of the Financial Times, is joint winner of the 1998 Ludwig Erhard Prize, awarded in memory of the German politician for distinction in practising or commenting on economic policy. He shares the honour with Karel Ven Miert, European

Dow Jones Ind Av ...

OTHER RATES

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#### **BUSINESS NEWS**

#### Credito Italiano merger plan signals trend ahead of Emu

Credito Italiano, one of Italy's leeding commercial benking groups, plans to merge with Unicredito, a savings institution with strong roots in northern italy. The scheme is one of the most important signs of consolidation in Italian banking as the country approaches economic and monetary union. Page 19; Lex, Page 18

The profile of US companies have been substantially overstated because of a failure to reflect the cost of granting stock options to employees, according to Londonbased research group Smithers & Co. Page 19

Credit Suisse, the second biggest Swiss bank, is closing its Credit Sulase private banking operations in the US and Canada because it has not been able to generate enough business. Page 23

GICN Westland's alliance with Agusta is the latest sign of how Fin-meccanica, italy's state-controlled defence and industrial conglomerate, is restructuring in the face of competition. Page 23

Denuinor, the Brussels-based corporate governance consultancy, is demanding a further independent valuation of Belgium's biggest merger this year between Cera Bank, Kredietbank and ABB Insurence. Page 22

Berdrois, the Spanish electric utility, says it expects to be chosen by the Portuguese government as a partner for EDP-Electricidade de Portugal, the state-controlled

power group. Page 22 Alcan Aleminium, the Curacian producer, posted first quarter earn-ings of US\$128m, or 55 cents per share, following stronger sales in Europe and the US which offset

week demand in Asia. Page 20 Mine Japanese financial institutions have closed in Hong Kong in the wake of the Asian financial crisis, and more closures are expected under Japan's Big Bang, Page 6

General Motors and Chrysler are planning to follow Ford into the Philippines, where the vehicle maker is to build a \$100m integrated assembly plant. Page 3

Merck, the US pharmacauticals company, reported net income of \$1,16bn, up 14 per cent from the first quarter of 1997, driven by volume gains in established and newer drugs. Page 20

PolyGram, the Dutch entertainment group, is raising \$650m by selling bonds backed by the capitilows of tuture films. Page 19

Talwan begins selling shares in state-owned Taipower early next yeer and plans to complete its privatisation by June 2001. Page 6 Catastrophes cost insurers \$6.7bn in 1997, down by half in inflationadjusted terms from 1996, according to insurer Swiss Re.

Canadian financial stocks have climbed to new hlohs amid bank consolidation speculation. Page 5; World stocks, Page 38 Brazil's central bank has cut its

base lending rate to 23.25 per cent s year from 28 per cent. Page 5

**World Equity Markets** The letest treads and data from more than 50 national markets at a glance

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WORLD MARKETS

(-85.95) (-5.37)

(-38.67) (-1.18) (-72.1) (-415.53)

(10.968) (10.968) (104.49) (108.18) (108.78)

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# Chirac urges cuts in tax and spending as euro nears

French president says country must adapt to make success of Emu

By David Owen in Paris

Jacques Chirac, the French president, said yesterday that national taxes and public spending were too high and reforms were essential if France was to prosper in the age of the single Suropean currency.

In a rare press conference at the Elysée Palace, Mr Chirac acknowledged that many people feared the consequences of the new currency and closer European integration. But he told them that their fears were unfounded or excessive".

In remarks that appeared to distance him from his Socialist-led government, the Gaullist Mr Chirac said the French public service needed an overhaul and that texes should be cut to help entrepreneurs.

and the French people know it too much public spending, too much tax, too much bureaucracy. This is why we cannot make a success of Europe without adapting," he said.

The French president also underlined his continuing support for the candidature of Jean-Claude Trichet, governor of the Bank of France, as president of the future European Central

The other leading candidate for the ECB job is Wim Duisenberg of the Netherlands, who had seemed a virtual certainty until France's surprise nomination of Mr Trichet last autumn.

Mr Chirac said it was preferable, but not essential, that a satisfactory solution to the presidency be found by May 2, when the formal decision on which "We also have our handicaps European Union countries tion continues to have misgivings

sch president Jacques Chirac ackno the single currency and closer Suropean integration but said their worries were unfounded. will join the euro will be taken. He also launched a stinging

attack on Sir Leon Brittan, the EU trade commissioner, for - as he saw it - embarking on a personal initiative to try to negotiate a free trade zone between Europe and the US without a mandate. He said the subject would not be on the agenda at a US-EU

summit expected before the Mr Chirac's remarks came after the strong showing by the far right and heavily eurosceptic National Front in France's recent

regional elections. This result belped to underline that much of the French popula-

A similar message of reessurance is likely to be offered pext week by Lionel Jospin, the Socialist prime minister, at the start of a parliamentary debate on the single currency that is likely to highlight divisions on Europe in the ruling left-wing

The Communists and the so-called Citizens' Movement (Mouvement des Citoyens) of Jean-Pierre Chevenement, the interior minister, may both vote against the resolution, although the Greens vesterday indicated that they would probably back it.

about a stronger European munists voted against hypislation changing the statutes of the Bank of France to prepare for the single currency. The debate will begin on the anniversary of Mr Chirac's announcement of a snap parliamentary election in which his right wing coalition lost its majority.

Since then, Mr Chirae has had to play second fiddle to Mr Jospin's surprisingly sure-footed left-wing administration.

The French president emphasised yesterday that he and Mr Jospin saw eye to eye on Europe.
"France's commitment to Europe has transcended partisan quarrels and political splits," he



GKN, the UK engineering group, is discussing a merger of its Westland helicopter subsidiary with Agusta, the helicopter manfacturer owned by Finn ica, the Italian state-owned industrial conglomerate.

Combining two of Europe's three remaining helicopter makers would create a force with a joint orderbook of \$8.5bn, putting it on a par with rivals in the US and Eurocopter, the Franco-

It would be the latest step in the rationalisation of the defence industry being urged by European governments following cuts in their weapons spending since the cold war ended.

A joint statement by GKN and Finmeccanica said: "It is impor-



the European helicopter industry that it participates in the consolidation of the aerospace and defence industry.

They said they had signed a memorandum of understanding under which they would have exclusive negotiations for the establishment of an "alliance of equals" between the helicopter

divisions in early 1999. David Turner, GKN finance director, said: "One of the possibilities would be that it ends up as a

merger. The companies were using cautious language because they had to negotiate terms and did not want to pre-judge their shares and the make-up of a combined

ica, is close to a deal with GEC-Marconi of the UK on a wide-

Westland and Agusta are partordered by Britain, Italy and Canada. Agusta is also developing a European transport helicopter

The alliance could set the stage for further consolidation among the western world's belicopter makers, with the industry believing the US market is not large enough to support three manufacturers - Boeing, the Bell Helicopter unit of Textron, and Sikorsky of United Technologies.

Aerospatiale of France and Daimler-Benz of Germany, own-

venture, he said. Alenia, another ers of Eurocopter, have been defence subsidiary of Finmeccan- pressed by their governments to rationalise Europe's aerospace and defence industry. They and ranging joint venture, and is also British Aerospace last month proin talks on a link-up with British duced a response believed to be

short on sp ecifica The need for companies to ners in producing the EH101, a have sufficient "critical mass" to much-delayed military helicopter produce value for money in military purchases could result in pressure to create a single European helicopter maker after any

Westland and Agusta alliance. "Westland and Agusta have highly complementary product portfolios," the companies said. with the EH101 programme providing "a sound commercial platform for a closer alliance".

The City responded well, with GKN's shares up 32p to £16.35.

Lex, Page 18 Flying into top league, Page 23

## **Cendant shares** dive over 'potential irregularities'

By John Aithers in New York

Shares in Cendant, the acquisitive US direct marketing company, fell 47 per cent in early Wall-Street trading vesterday, as icelers reacted to news that the company had found potential accounting irregularities that could reduce last year's profits by nore than \$100m.

More than 85m shares in the company were sold within 90 minutes of the market opening, double the volume of the next most heavily traded stock. By mid-session, Cendant's shares had dropped by \$161 to \$191. At the beginning of last week, the share price stood at almost \$40.

is in the middle of a \$3.1bn purchase of American Bankers' insurance and an £801m offer for National Parking Corporation of the UK. Dealers said the company's agreement to buy ABI of Mlami, in an all-stock deal, could be in jeopardy. American Bankers' shares dipped almost 10 per cent in morning trading, down \$5% at \$58%.

Cendant's announcement late Wednesday suggested last year's profits would only need to be reduced by 10 per cent and that it would meet its consensus forecast for the current quarter: The problems follow last year's

chising company with holdings in hotels, car hire and real estate brokerages, with CUC Interna tional, a direct marketing com pany with discount and member-ship schemes. They relate to CUC's membership bush Henry Silverman, Cendant's

chief executive and former chief executive of HFS, said: "Our busi nesses are very healthy and lower base than we had been pre viously led to believe by certain members of the former CUC man Condant's audit committee has

engaged a special legal counsel to explore litigation against certain former CUC executives, and has also appointed Arthur Andersen. the auditors, to undertake an independent investigation. This is likely to take a matter of

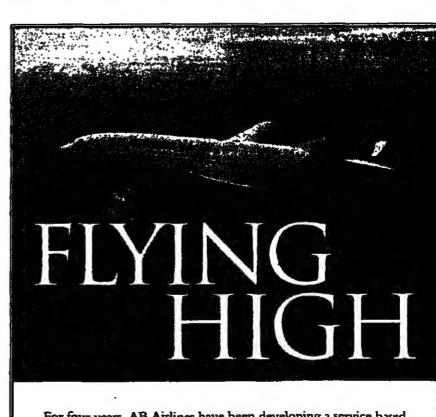
Immediately before the announcement on Wednesday Furman Selz, BT Alex. Brown and Morgan Stanley Dean Witter rated it a "strong" buy, while the stock appeared on Goldman Sachs' US recommended priority

All these companies yesterday moved to a neutral rating on Cendant Merrill Lynch downgraded it from "buy" to long-term accumulate".

\$11hn merger of HFS, the fren- Lax, Page 18

CONTENTS

World News 2-6 UK News 7 Features 8 Comment & Analysis 16,17 Companies & Finance 19-25 World Stock Markets 32-38



For four years, AB Airlines have been developing a service based on a simple proposition. Success built on value. A proposition that seems to have found favour with hundreds of thousands of passengers. And now we're set to expand our services further still. With flights from three UK airports serving European destinations and a new fleet of Boeing 737 aircraft coming into service, the name of AB Airlines is becoming ever more familiar in the skies of Europe. If you'd like more

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**NEWS DIGEST** 

Cabinet set to approve

The Italian cabinet will today give final approval to its outline

achieve preliminary approval in partiament before the end of

this month. Although there have been doubts in recent days

the draft budget, the party's economics spokesman, Nerio

The document should be passed by parliament's budget

commissions before the end of this month. This would give a

strong indication to a European Union heads of government

summit on May 2-3 that Italy will approve the budget later in

to join the Schengen accord, the border-free zone which links

Sweden had initially remained outside Schengen for fear it

would compromise its frontier-free passport zone with its fel-

low Nordic countries Denmark, Finland, Norway and Iceland,

But this objection was subsequently overcome when Norway

are Schengen observers, are also preparing to join in full.

by the main opposition conservative Moderate party.

Yesterday's debate pitted Eurosceptic deputies from several parties against the Social Democratic government, supported

Opponents of Swedish participation in the zone, which cur-

rently has nine full members, said in the debate that they

sared the abolition of passport controls would trigger an

a charge stemly rejected by government politicians.

Share investigation opened

tives programme, which Deutsche Bank denied.

The Passian federal securities commission said yesterday it

had opened an investigation into an alleged attempt to issue

foreign-trading derivatives of locally traded shares in Gaz-prom, the natural gas monopoly, Gazprom earlier said Deut-

sche Morgan Grenfell was preparing to launch a new deriva-

said Gazprom wanted any existing scheme investigated as

Gazprom has tried to keep separate foreign and local markets

well and had asked the government to review the matter.

A 1997 presidential decree generally limits new foreign

Receipts, which are traded abroad. Foreigners cannot buy

locally traded shares, which trade at about half the price of

the ADRs. But shares acquired by foreigners before the

structure which was launched two years ago. That pro-

ties, and we believe it to be perfectly legal. We will be dis

cussing the matter with Gazprom over the next few days,"

said a Deutsche Bank spokesman. Reuters, Moscow

decree face some exceptions and do not have to be sold.

\*Deutsche Morgan Grenfell has a Gezprom derivatives ...

gramme still exists with the understanding of Russian authori-

acquisitions of Gazprom shares to American Depositery

A senior official at Gazprom's financial consultant Gorizont

RUSSIAN SECURITIES

for its shares.

Influx of illegal drugs into Sweden. They warned it could lead

to increased crime as well as to the creation of a federal state

Sweden votes to join zone

about whether Italy's Reconstructed Communists will approve

budget for 1999, amid growing expectations that it should

outline budget today

ITALIAN POLITICS -

Nesi, said: "We will vote for it."

the year. James Blitz, Rome

SCHENGEN ACCORD

full membership.

# WORLD NEWS

# CDU plans social market overhaul

and Lucy Stry in Bosto

Chancellor Helmut Kohl's Christian Democratic Union yesterday unveiled an economic agenda for September's federal election that would overhaul significantly negotiations in compensa-Germany's social market traditions. It proposed boosting profit-sharing, encouraging funded pension schemes and reining back the state.

Matthias Wissmann, the CDU's economic spokesman, called for a "renaissance of the social market economy". which have been blocked by

Kiriyenko

likely to

again

By Charles Clover In Moscow

nomination

be opposed

lower house of parliament.

of the Communist party, the

largest faction in the Duma,

announced his decision after

meeting Mr Kiriyenko for

several hours behind closed

Mr Zynganov said his dep-

uty had informed Boris Yelt-

sin, the president, of the par-

that we cannot vote for

someone who has no pro-

gramme, no clear position,

and not enough experience."

Mr Zyuganov said. He added

that the Agrarian party and

the People's Power group,

which are allied with the

confirmed by 226 of the 450

to confirm Mr Kiriyenko,

who is Mr Yeltsin's choice

If the Duma fails three

times to confirm Mr Yelt-

sin's nominee, the president has the right to dissolve the

body and hold new elections.

tomorrow on whether to

hold an open or closed ballot

on Mr Kiriyenko's appoint-

ment. Analysis said the

result of the initial vote

would have a critical influ-

ence on the vote on Mr Kiri-

A secret ballot would

allow deputies who fear los-

ing their seats in an election

to break ranks from the

public positions of their

parties and confirm Mr

Kiriyenko can be confirmed.

If it is an open vote, he will

not be," said Andrei Fedorov

of the Moscow-based Council

on Foreign and Defence Pol-

Separately, the Duma

overwhelmingly voted to

pass the first reading of a

new tax code, one of the most important and contro-

versial pieces of legislation

this year. The result puts Mr Yeltsin

in an awkward position. If

Duma, he would would effec-

tively put put the tax code

legislation back to square

CERMANY:

FRANCE

SWEDEN

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If it is a secret vote. Mr

yenko,

Kiriyenko.

The Duma will first vote

members of the Duma.

for prime minister.

against Mr Kiriyenko.

We told the president

ty's decision.

Gennady Zyuganov, leader

tional "alliance for work" between unions and busi- or second chamber. Basic ness to tackle mass unemployment, he called for "an alliance for hard-workers" that would see profit-sharing measures offered in wage tion for pay freezes. Such schemes are not widespread in Germany. Mr Wissmann also wanted a further stimulus for venture capital. The CDU pledged to rein-

troduce plans for tax cuts worth DM30bn (\$16.6bn),

crat-dominated Bundesrat, rate income tax would fall from 25.9 per cent to 15 per cent to 39 per cent. The party has set a goal of reducing the state share of national income to 46 per cent of gross domestic product by 2000, reversing rises caused by unification. On social welfare, the CDU said funded schemes should enhance the existing pay-as-

you-go pension system.

Wissmann, to carve the party a market-orientated identity clearly distinguishcent; the top rate from 53 per able from that of the Social Democrats. The CDU is trailing in opinion polls behind the SPD which today is expected at a Leipzig rally to back overwhelmingly Gerhard Schröder, prime minister of Lower Saxony, as its candidate for chancellor.

Mr Wissmann said the SPD. which has proposed only a 4 percentage point cut The plans reflect attempts in top rate income tax, was stantial overall tax cuts".

by a younger generation of more interested in redistri-CDU leaders, including Mr butive policies and would hit Germany's many job-creating medium and small family companies with addi-·CDU continues to be dogged by rows over plans to raise taxes on energy which were floated initially by Wolfgang Schaüble, the CDU's parliamentary leader.

Mr Wissmann insisted any energy tax reform would have to be part of European harmonisation moves and "within the context of sub-

industry association (BDI) warned the debate had become brelevant and damaging. Any plans to raise taxes would be mistaken in the battle to fight unemploy-

Meanwhile, the liberal Free Democratic party. junior member of Mr Kohl's ruling coalition, proposed a 35 per cent top rate of income tax and a cap on the maximum proportion of incomes that could be taken

# Sweden's parliament last night paved the way for the country most European Union states. After a seven-hour and at times heated debate, parliament voted by 231 votes to 39 to ratify an earlier treety upgrading Sweden's formal observer status to and Iceland - both non-EU members - were offered associate membership of Schengen. Denmark and Finland, which

# Parliament votes for new probe of Çiller's wealth

Turkey's parliament voted yesterday to open a new investigation into alleged irregularities in the recent accumulation of wealth by the former prime minister, Tansıı Çiller.

corruption charges against Mrs Ciller (pictured above) to be sent to the Supreme

accepted with a majority show of hands the proposal to set up a commission to investigate increases in the Ciller family assets between "An illegal, immoral and economist, has been cleared of irregularities.

The other two ruling coali-

Mrs Ciller, who was Tur-

Mrs Ciller, a US-educ

international community was devalued by 45 per cent

imposes further sanctions on to 6 to the D-Mark, an offi-

Yugoslavia later this month cially sanctioned dual rate of

vious parliamentary probes. But her parliamentary support has dropped sharply since her days in government, due in part to the alliance between her secular True Path party and the Islamist Welfare party in a short-lived government that collapsed last summer. Mrs Ciller had previously vowed to be a bulwark against the

Her decision to form a

### GERMAN TELECOMMUNICATIONS

### Government hails open market

Germany's new telecommunications companies already account for more than 2 per cent of the country's recently liberalised telecoms market, Günter Rescout, economics minister, said yesterday. Reviewing the first 100 days of full competition, Mr Rexrodt predicted the proportion would rise to 5 per cent by the middle of the year.

The relatively low figures highlighted a cautious reaction by German consumers. But the economics minister described the estimates as a "positive signal" and Mr Rexrodt said competition was in full swing with more than 50 licensed telecom service providers. Prices for long-distance calls have fallen by up to 70 per cent. Ralph Atkins, Bonn

#### **BOSNIAN CONFLICT**

#### Serb deaths blamed on Croats Canadian troops with Nato forces in Bosnia yesterday

retrieved the bodies of an elderly Serb couple who had been knifed, beaten and shot by suspected Croat nationalists after returning to their former home near the western town of Drvar. Vojin and Lela Tmic, found in the charred ruins of their bouse, were among about 1,000 Serbs who had returned to the Drvar area this year under an international programme to reintegrate Bosnia's ethnic communities. Alexander Ivanko, a UN spokesmen in Sarajevo, condemned the murder as one of the worst incidents since the signing of the Dayton peace accord that ended the Bosnian civil war in 1995. Guy Dinmore, Belgrade

#### DUTCH ECONOMY

### Warning over labour shortages

Staff shortages might contribute to a slowdown in Dutch economic growth next year, the Central Planning Bureau (CPB) warned yesterday. The CPB described the labour market as "worrying". It predicted that expansion of the Dutch economy would slow to about 3 per cent next year, compared with 3.75 per cent this year, as a result of weaker growth in both domestic spending and exports.

Although the CPB said the creation of about 150,000 lobs this year should reduce Dutch unemployment rates to about 5.5 per cent, it added that the government and employers should take measures to tackle a shortage of qualified personnel in the labour market. Barbara Smit, Amsterdam

#### SLOVAK BALLOT

### Presidency still unfilled

The Slovak parliament yesterday failed again to elect a president, leaving it increasingly likely that the country will enter contested elections in September without an elected head of state. In the first ballot of the third round, no one won the three-fifths vote required and the ballot will be repeated on April 30 with the two top candidates, who will then be disqualified if neither is elected.

Yesterday for the first time a candidate from the ruling Movement for a Democratic Slovakia, deputy Milan Secansky, stood for the post. However, he received only 59 votes, fewer than the 81 seats held by the governing coalition and well under the 90 votes required. Robert Anderson, Prague

## EU advertising ban on tobacco still on course

By Nell Buckley in Brussels

Plans for a European Unionwide ban on tobacco adver-Russia's Communist party tising are likely to be backed confirmed yesterday that its by a key European Parliadeputies would oppose the ment committee next week appointment of Sergei Kiri-yenko as prime minister in a in spite of a legal challenge yesterday arguing the ban had no basis in EU law. vote today in the Duma, the

The European parliament's legal affairs committee voted 12-7 to reject the ban's legal base, in the latest potential setback to a directive dogged by controversy.

The directive, aimed at phasing out tobacco advertising and sponsorship by 2006, was agreed in principle by ministers in a compromise last December, but must be approved in a second reading by the European Parliament in May. But the parliament's environment committee preparing the report on which the full assembly will vote is not expected to accept the legal

affairs committee's opinion.

communists, would also vote "I don't think it is going to change many minds," said Their votes, combined Ken Collins, UK Labour chair of the environment with those of the Communists and the powerful committee. "The committee's interest historically has Yabloko party, which is also opposed to Mr Kiriyenko, been to see a ban in place." would be enough to foll the The environment commitnomination, which must be

tee will vote on its report next week on the same day Last Friday the Duma public health minister, Short-lived blans is autumn to exclude Formula responsibility.

One racing almost torpedoed the EU deal.

But the legal affairs committee vote reflects growing legal opposition to the ban. Germany, one of four countries which opposed or abstained in December's vote, has said it may challenge the directive in the European Court of Justice. The Confederation of

European Community Ciga-rette Manufacturers, the tobacco lobby, yesterday unveiled its own legal adviser's opinion, arguing the directive was ill-founded. The Council of EU ministers legal service challenged its status as long ago as 1993, although it did not raise objections when accord was reached last December.

The dispute centres on the use of Article 100a of the EU's governing treaty, which provides a basis for measures designed to complete the EU single market. Opponents say this is an inappropriate base for a measure whose main aim is to protect consumer health. However, EU legislators

have few other legal bases for a ban. The article referring to the EU's duty to "ensure a high level of human health protection" simultaneously excludes harit meets Tessa Jowell. UK monisation of health laws across EU states, on the

exorbitant increase can clearly be seen," read the

The vote opens the way for

The 550-seat assembly

motion, which was backed by the ruling Motherland Party of the prime minister, Mesut Yilmaz, a bitter political rival to Mrs Ciller.

tion parties, the Democratic Turkey party and the Democratic Left party, also supported the motion.

key's first woman prime minister between 1993 and 1996, and her husband, Ozer Ciller, own companies and property both in Turkey and the US estimated to be worth many millions of dollars.

partnership with the Welfare party infuriated Turkey's secular establishment including the powerful armed forces. Mrs Ciller ear-

# Money joins Serbs' list of shortages

By Guy Dimmore in Belgrade

The clerk in a deserted and dusty Belgrade branch of Slavia Banka threw up ber hands and laughed. "No money, no money," she said.

Long accustomed to various kinds of shortages, Serbs are now experiencing a serious shortfall of local currency. The reason - a tight monetary policy adopted by the central bank to curb inflation triggered by a sharp devaluation of the dinar, the Yugoslav currency, on April 1.

Even Beobanka and Beogradska, the big banks, had no dinars to exchange for hard currency on Wednesday. Black market dealers [NBJ] has given me his word around 25 per cent. If the building, Although the dinar

were also out of pocket. By Thursday the crisis had nished atrium of Komercijalna Banka, said to be favoured by the ruling elite, clerks counted bundles of

newly delivered notes. Just over four years ago, with inflation raging at thousands of billions per cent. Serbs needed bags of banknotes for a simple shopping trip. Economists hope the Socialist-led government of President Slobodan Milosevic has learned from that crisis, which destroyed the Yugoslav banking system. "The governor of the National Bank of Yugoslavia

of bonour that he would no longer give in to the preseased slightly. In the bur- sure from politicians and tolerate money printing," said Vojin Djukanovic, a federal deputy prime minister. Economists are not so

sure. They recall that Dusan Vlatkovic, the central bank governor, oversaw in 1991 and 1992 a period of mass printing of dinars. He allowed banks to operate pyramid schemes that collapsed with losses of hundreds of millions of dollars. erade Economics Faculty.

Mladjan Dinkic, of the Belforecasts inflation will exceed 60 per cent this year. against an official target of

ovo province - then the cri- ity bills for customers with sis will worsen. Leaders of Serbia's largely ineffectual trade unions are to build up its foreign

warning of social unrest. exchange reserves by The average monthly wage, when paid at all, is worth less than \$90. Several thousand workers of the Zastava mats say Société Générale, the central town of Kragu- with a majority shareholding jevac on Wednesday because in a Yugoslav bank, is reconthey had not yet received sidering its future after their January wages.

weapons factory protested in the only foreign institution inflationary pressures are ther \$2m.

- in response to the Serbian 6.3 already exists. State-run police crackdown on ethnic banks offer a 5 per cent dis-Albanian separatists in Kosforeign exchange. The central bank has tried

demanding that commercial banks raise mandatory deposits with the NBJ. Diplobeing told to deposit a fur-

The IMF wants Ukraine to

pass laws limiting banks' lending to shareholders, and

to create a centralised trea

sury system, which will

mean that commercial banks

no longer get to manage gov-

Some observers see the

decision of business people

to enter parliament in terms of an effort to change the

business environment to

"It used to be that

Ukraine's businessmen were

only interested in exporting

raw materials and setting up

Swiss bank accounts," said

Valentyn Dzoba, an analyst

at the Atlantik East broker-

age. "But now they see it is

possible to make money in

Ukraine, and they need to

But the new MPs have

achieved this political influ-

ence only by ignoring seri-

ous questions about their

ability to make decisions in

The government appears

equally unprepared to

the public interest.

address the issue.

create conditions to do it."

their advantage.

# Ukraine's businessmen – a new political class

The interests of some recently elected MPs mean they could oppose changes sought by the IMF, Charles Clover writes

The owner of Ukraine's largleading member of theenvironmentalist Green party. Mr Rys makes little

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Financial Times (Europe) GmbH is Peassen Overseas Holdings Limited, 3 Burlingtion Gardens, London, W(X LL),
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ple, registered at the same address
(GERMAN): the Green party, which won 19 seats in the election in March, is simply a front for big business interests.

company handles 5 per cent of the oil products trade in Responsible for Advertung content. Cohn A Kennard, Printer: Hürrivet International Verlagsgesellschaft mbH. Admiral-Rosen-lath-Strame in a Unit New London. Ukraine and owns Ukrinbank, the country's seventh Verlegigereitenalt mort. Aumital-Kosen-dahl-Seranc 2a, o.700 Neu henbarg ISSN 11174-7363. Responsible Editor: Rachard Lambert, co The Financial Times Logared, Number One Southwark Bridge, London SEI 9HL. biggest bank. His main priority for parliament is land reform. "Land reform is good for the environment, but It is also a way to raise collateral Publishing Director P. Marsvigia, 42 Rue La Boette, "Suis PARIS Telephone (01) 5376 8254. Fax (01) 5376 8253. Printer, S.A. Nord Echan, 1592) Rue de Catre, 1-59100 Runhan Codey I. Editor, Richard Lambert, ISSN 1148-2753. Commission from farmers, who are the major customers of my company," ne savs.

Mr Rys is an example of a new political class of 150 Ukrainian businessmen and bankers who won seats at the election. Many people accuse them of pillaging the economy during Ukraine's six-year existence as an inde-

But the Ukrainian govern-

any people would say that Serbly Rys has a conflict of interests. businessmen to form the bulwark of opposition to the left wing, which increased its representation to 40 per cent est oil tank farm, he is also a of the seats against 25 per cent in the outgoing parlia-

"The businessmen will attempt to hide the fact that oppose the left wing and become the support base for much-needed economic such as gas and oil products. reforms," says Serhiv and barter them for finished Tyhypko, Ukraine's deputy His own Shelton trading prime minister for economic

But some analysts doubt that what is good for these businessmen is good for Ukraine as a whole. They draw parallels with the situation in Russia, where business harons treat their country as a personal fieldom.

Ukraine's Social Democratic Party-United, which won 17 seats, features on its list many members of the accounts for 20 per cent of Ukraine's oil products trade and 15 per cent of the sugar

party which won 23 seats, cial legal status. was founded by Yulia Timoshenko, the president coming into parliament has are likely to appose other ment is counting on the of United Energy Systems, a had a mediating effect on reforms

natural gas trading comturnover of over \$1bm

Many people say that the Communist party's success last month was mainly due to citizens' anger at the excesses of capitalists who have made vast fortunes from the country's disarray. Ukraine's cash-starved

economy is at present run by monopolistic trading companies which import energy, export goods from farms and factories, often on heavyterms. Last year, the amount of barter in the economy was equal to two-thirds of the

country's GDP. At the same time, an estimated \$20bn-\$30bn has been spirited out of the country to bank accounts in Cyprus and Switzerland since Ukraine gained its independence in 1991.

"We have elected a parliament, half of whom are sim- and deregulation, which are Slavutish company, which ply seeking immunity from the conditions of an Internaprosecution," complained a tional Monetary Fund profront page article in Zerkala gramme Ukraine hopes to Nedelya, a respected Kiev newspaper, referring to a credit of some \$2.5bn over Hromada (Community), a law which grants MPs spe-three years.

the left, which, having fallen pany, which in 1996 had a short of a majority, will need to form a coalition with cen-tre parties in order to be an effective force in parliament. At a press conference last week, for example, Peter

Simonyenko, head of the Communist party, took a brief break from blasting "criminal capital" to express his sympathy for enterprise bosses who thought taxes

conomists predict that - the business community in parliament will support the economic reforms which the government is trying to introduce. Since 1991, Ukraine's GDP has contracted by one third,

because of the difficulties of transition from a centrally planned economy. The key to turning this sitnation around, economists

say, is a series of reforms, such as cutting taxes, privatisation, banking reform, sign soon, in exchange for a

But the new MPs' business The tide of businessmen interests mean that they

"I don't wish to say that Ukraine should be run by businessmen," says Mr Tyhypko. "It should be run by politicians who wish to suggested serve their country."

spar right shadow Austria

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He has indicated he may accept 4 povernment that includes Jury

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Palestinia with expo Potential 1

PSORTAL OFFICE AND A STATE OF STATE OF

By Judy Dempsey on Gaza On the contract of the contrac builder of the state of the sta Working Transfer mild the tree course of the co The Sci ler will done or the second second

Sunday the Committee of Martin Barrier Barrier Bridge water to the state of Rama imprime What He was the same forty. Figure 4 5. A 1714 Mayor Bulk the but to the first of the state of the then the term of t

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GIR other the lift the Chronic Charles and Charles an the state of the s pure in the first state of the f huttally the result of the res

applied interest in the second of the second Such as Institute and the second of the second Grand the state of R William Brown Comment of the

PRESIDENTIAL VOTE KLESTIL'S TACTICS

Far right's

shadow over

Austria poll

for a second six-year term as Social Democrats not to

Austria's federal president nominate a challenger

on Sunday, as opinion polls against Mr Klestil, a 65-year-predict, the far right Free-old former career diplomat,

dom party will have moved a and to suggest that their

small step closer to taking sceptical members vote for

the incumbent

These episodes convinced

Chancellor Viktor Klima's

This decision has upset

some rank and file members

among the Social Democrats.

Nobody is happy with the

party's decision" not to nom-

inate a candidate, says Karl

Ehrlich, the party secretary

in Ottakring, a working-class

district of Vienna. "I cannot

vote for Klestil. Look, he

would not even mind mak-

ing Haider chancellor." The

party leadership is more san-

guine about Mr Klestil's

overtures to the Freedom

Mr Klestil is expected to

distance himself from Mr

Haider after the election. Mr

polls, which give him around

Mr Klestil's main challeng

ers are two candidates who

both vie for urban centre-left

votes. Heide Schmidt, a for-

mer Halder confidante who

Mr Haider from office.

60 per cent support.

out of power.

By Eric Frey in Vienna

power.

If Thomas Klestil is elected

In this campaign, Mr Kles-

til, standing as an indepen-

dent, has abandoned his ear-

lier distance from the party,

calling it a "democratic force

firmly grounded in the con-

stitution". He has indicated

that he might accept a gov-

ernment that includes Jörg

Haider, leader of the Free-

dom party, after parliamen.

tary elections next year.

He has indicated

he may accept a

government that

Since he took over the

Freedom party in 1986, Mr

Haider has increased its

share of the vote in nearly

every national or regional

election, boosting it from 5

to about 25 per cent. If this trend continues, the Free-

dom party might challenge

the Social Democratic party,

which has governed the

country alone or in coalition

Mr Klestil's change of

dom party has come as a

surprise to those who

remember him as an oppo-

nent of Mr Haider's xenopho-

bic and anti-European poli-

cies. Mr Klestil, elected in

1992 as the candidate of the

has twice intervened to stop Wolfgang Schüssel, vice

party chairman, from mak- run-off ballot.

for the past 28 years.

includes Jörg

Haider

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MARK WIFE

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over labour shortages

Agreed to the second se

alleviating some of Gaza's aspiration will depend on or people, between Gaza and answering some of Gang a separate security the West Bank, as agreed in ning at over 40 per cent, arrangements israel is put- the Oslo peace accords. according to pason mayes,

Major General Yaakov Or,

Major General Yaa industries of and co-ordinator of gov- kind of delays and long iabour-intensive industries

such as textiles and food prosuch as textiles and food prosuch as textiles and food pro-

Tony Blair, UK prime minis- GIE would be in a strong could partly solve unemploysince wages in Gata are low - about \$500 a month - even terpart, is one of the few Pal- though Israelis are already investing in Jordan and below Palestinian levels.

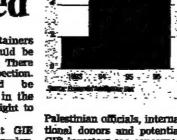
Financed by the World Palestinian Authority, slow would have the effect of savtriation of profits, grants and closure policies. other investment incentives. Above all, GIE would give

GHE offers the chance of Israel label. But such an the free movement of goods,

cessing, even though water occupied territories, said are at present subject sectors. We will first tar-

He conceded that GIE ter, will raise in talks on position to attract investors, ment, providing some economic stability for Gazans. But he also sees GIE as a way of getting round closures imposed by Israel on the West Bank and Gaza. since they would not affect He was convinced that the employees at GIE. This

questions as it attempts to goods, free of the "Made in of goods for export, but not



Palestinian officials, interna-GUS investors are concerned that without a Gaza airport, port and safe passage, the industrial estate will never reach its potential of employing 20,000 people or attract

Some 25kin away, near the Egyptian border, no agreement has still been reached on opening Gaza International Airport. Nor is there an agreement to operate the Gaza sea port, just 5km from

No progress has been made for establishing a safe passage for people and goods between the West Bank and Gaza - crucial for the Strip's economic survival.

Not surprisingly, some Blar mission, Page 4

# Solidarity union hits at coal reforms

By Christopher Boblaski In Warsaw

Poland's Solidarity mining over five years for about union yesterday attacked 70,000 of the 240,000 miners government plans to return Europe's largest remaining coal industry to profit by cutting the number of jobs miners will retire of their by almost half and reducing output by a fifth by 2002.

The government wants the European Union to fund part of the cost of the job reduction programme. The government unveiled the plan 10 days before Christos Papoutsis, the EUs energy commissioner, visits Poland.

The plans contain propos- elections last autumn, said ports the opposition former that the industry will return worth 4.5bn zlotys (\$1.3bn) employed in the state-owned gramme," said Karol imports and halt plans to industry. The government Luzniak, the Solidarity minassumes that another 36,000 ers' leader.

> job cuts slowed. They have asked their national trade union to enter into a formal on the terms of the mining restructuring package.

of Miners (PUM), which sup-government plan assumes

als for redundancy payments the proposals had not communist Left Democratic to profit by 2000, with output appeared in the party's man- Alliance (SLD). The PUM cut to 110m tonnes with the ifesto. This is not the Soli- has already called on the loss of 72,000 jobs. darity Electoral Action pro- government to block coal

> sell pits to foreign investors. Last year Poland produced The Solidarity miners 137m tonnes of coal, of want to see the pace of the which 37m tonnes was for the coal industry under a net loss of 1.8bn zlotys. dispute with the government rently burdened with debt of 11.3hn zlotys, of which the

> > Czech Republic: come again

then a full wite-off or tax credit equal to the assponded amount. Depreciation of 25% a year for machinery.

. Ald for half live cost of re-training and

grants for employing workers in curious

O. Free picts of lend and aid for half cost of

3. Regittance of costom payments on

trade zones for exporting comp

and respective ministries

will have to agree each rele-

They can expect to be off about 7bn zlotys under

Yesterday Jerzy Mar-

kowski, an SLD senator, said the plan would be "disastrous" for the industry. Mr Markowski was responsible exported. The industry made the previous government and won the largest number The coal mines are cur- of votes in Katowice in the last election.

Under the government's government wants to write plans, output would be reduced to 90m tonnes in backed by the Polish Union the new programme. The 2010 and the number of jobs would be cut to 77,000.

### pace By David White in Madrid Pressure built up yesterday

over a case of alleged illegal phone-tapping by the Cesid intelligence agency against the radical Basque political party Herri Batasuna.

The Communist-led United Left, the third biggest party in parliament, called for his immediate dismissal. The centre-right government's Basque and Catalan allies said they would wait for Mr Serra's explanations to parliament next Tuesday before passing judgment. The main Socialist opposi-

against Eduardo Serra.

Spain's defence minister.

Spanish

scandal

gathers

tion demanded a "complete and exhaustive" statement on the case from José Maria Aznar, the prime minister Government ministers rallied behind Mr Serra, trying to fend off what could be the first cabinet change since Mr Aznar's Popular porty won power two years ago.

They refused to comment on a report that the eavesdropping plan had been submitted to the cabinet early last year.

Mr Serra earlier accepted responsibility but denied that he had any intention of resigning or that the case had caused a cabinet rift. A complaint lodged by Herri Batasuna about phone tapping at its offices in Vitoria, the Basque capital, has been followed by other

Last December, 23 of the The chief of Cesid, Lieu-

### Czechs feel they must run to catch foreign investors

industry until 2002.

After earlier dismissing incentives, Prague is now putting together measures to make up for lost time; writes Robert Anderson

own accord over the next

four years. The coalition

government of Solidarity

Electoral Action (AWS) and

the pro-business Freedom

Union (UW) also wants to

freeze real wages in the

But the Solidarity union,

which supported the AWS in

once dismissed investment incentives as an unnecessary interference with market forces, is at last put- failed to attract many greenting together a package to attract foreign investors. "The times have changed,"

Klima seems to assume the People's party will stay in says Ales Musil, an adviser the coalition after 1999 and to Karel Ruhnl, the minister continue to keep Mr Haider for trade and industry. 'Investors are going else-Mr Klestil's campaign tac tics seem to have paid off so long-term investment and far. Courting Mr Haider has know-how." not hurt his standing in the

The former government of Vaclav Klaus, which col- investment) for the third lapsed in November, had relied on the country's headstart in the transformation process and its strong industrial base and supply of skilled labour to attract investors.

broke away five years ago and founded the Liberal But in May last year doubts about the depth of Forum, and Gertraud Knoll, a protestant bishop who is restructuring in Czech approach towards the Free- supported by some Social industry and the capacity of Democrats and Greens, both the country to afford rapidly say they will use all the growing wages and conpresidential powers to keep sumer spending were confirmed when the currency However, neither Ms was forced to devalue.

The Czech Republic had Schmidt nor Ms Knoll is likely to score more than 15 already begun to lag behind conservative People's party, per cent of the vote. Only an Poland and Hungary in upset could push Mr Klestil attracting investment because of a deteriorating below 50 per cent in the first economy: But investors had chancellor and People's round and force him into a

"he government of the seedy reputation of the capi-Csech Republic, having tal markets, and lost faith in the minority government's capacity to continue reform. In particular the country field investments, especially mobile companies with hightechnology and value-added

production. This year threatens to be worse, Jan Havelka, head of CzechInvest, the trade and industry ministry's export promotion arm, says: "The Czech Republic Is facing a drop in FDI (foreign direct consecutive year. If we were fully competitive we would not need these incentives."

As the domestic economy slows while exports remain healthy, the importance of foreign investment has been highlighted. Czechlnvest estimates that companies with foreign investment are responsible for half manufacturing exports.

Foreign investment can also compensate for the difficulty Czech companies have raising finance through the stock market or the debtladen banks. Mr Havelka says: "FDI is the only reliable source of capital and know-how for the restructuring and modernisation of June, although some will

tives was finally broken in the middle of last year when Mr Klaus's cabinet agreed to offer ad hoc incentives to try to attract Intel, the US computer chip manufacturer, and then General Motors. which was seeking to build a \$300m engine plant.

Ingical resistance to incen-

Intel, which plans to build a \$500m pentium chip plant, has still not made a decision but will return for further talks soon. However, Mr Havelka says the Czech Republic has lost the General Motors investment "Intel and General Motors

started the whole process," he says. "After the news about the incentives came out the telephone never stopped ringing with company inquiries. Ad hoc packages are the way to hell. We had to produce an up-front transparent system and give investors the criteria in advance. It is not feasible to continue doing it on a caseby-case basis."

CzechInvest, which had long called for incentives. was told to produce a standard package which it could offer to investors. The incentives should then come into effect before the elections in

vant benefit However, the incentives apply only to newly estab-lished manufacturing plants of foreign or domestic companies in which more than \$25m is invested over five years. And they are not as generous as those offered by Poland and Hungary.

Weston Stacey, the head of the US chamber of commerce in Prague, welcomes the plan but believes it is a missed opportunity. "The threshold level is too high," he says. "And by restricting also been deterred by the Czech industry." The ideo- require the new parliament it to manufacturing, they are

ground to make up before the Czech Republic restores its reputation among foreign investors. They point to what most regard as a sclerotic bureaucracy and cus toms system, and to weaknesses in commercial legislation and the courts. "An investment incentive

package alone is not going to do anything," Mr Stacey says. "It is only part of an overall programme. Investors want to see that the government is serious about cleaning up the whole busi-

### to pass enabling legislation missing a good chance to build up the services indusreports of spying on its meettry." There is also a lot of

party's leaders were jailed on charges of collaborating with the Eta terrorist group. tenant General Javier Calde ron, offered his resignation earlier this month.

A scandal over eavesdropping by Cesid under the previous Socialist government in 1995, which involved telephone conversations of prominent figures including King Juan Carlos, cost the jobs of two senior cabinet ministers as well as the agency's head.

Snag hits

\$5bn SA

link to

**Maputo** 

A \$5bn plan to develop the

corridor linking South

Africa's industrial heartland to the Mozambican port of

Manuto hit a snag vesterday

when a South African min-

ing company said it had

that route because of the

high cost of rail transport.

# GM and Chrysler follow Ford's Philippine path

special treatment.

By Justin Marozzi in Manila

General Motors and Chrysler are planning to follow Ford into the Philippines, where the US manufacturer is to build a \$100m integrated assembly plant

the Philippines.

some models to the domestic was to go into vehicle

regional office in Singapore last month. last year, said: "We are

unsuccessfully to persuade by exemption from income GM to establish its \$750m tax in return for a 5 per cent regional hub in the tax on gross income, in Philippines in 1996, and is addition to tax breaks for Representatives of GM and likely to boost investor staff training and Chrysler are among a confidence in the country. value-added tax exemption mission of 17 groups visiting Manila's approval of on the import of capital Ford's application to set up equipment. GM, which already sells the plant in Laguna province outside the capital - which controversial because this market, said the next phase will produce Ranger pick-up

Chrysler, which set up a from local manufacturers than an exporter.

expanding aggressively in offered more incentives than markets, yesterday defended

the region, including the those available to domestic the incentives package and was seeking clarification establishing local philippines." denied the group was getting with the Board of Incentives manufacturing plants, is Philippines." groups.

The news is a fillip to the government, which tried income tax holiday, followed

The issue

was the first time that the trucks, Laser cars and incentives were provided for manufacturing and parts Econovan commercial frucks a manufacturer supplying - sparked an angry reaction the domestic market rather

Ken Brown, Ford's public They said Ford was being affairs director for Asian

parts. We have adopted a target of exporting \$8 of products for every \$1 imported. That's not an unlevel playing field."

makes a similar proposal,"

primarily to the domestic

market, we will more than offset that by exporting

"Although we are selling

Barlier this week, Vicente Mills, head of the local chamber of automotive manufacturers, toned down his criticism of Ford's return to the country, saying he

about "the exact nature of "These incentives are the incentives approved." available to everybody who

that says Ford's Laser is similar to its Mazda 333. Ford save this situation is no different from that in many other countries and is playing down the likelihood of any legal

challenge. Ford left the Philippines amid the turnoil following market, Mitsubishi 21 per the assassination in 1983 of Ninoy Aquino, the popular opposition leader. Its return, and the prospect of General Motors and Chrysler both Brown.

aimed at capturing market of the global market will be There have also been carmakers, which have probably more than the US complaints from Columbian dominated the domestic and Europe. If we haven't Motors, a local assembler playing field in recent years.

> country from the 1980s until 1995, thereby protecting the existing Japanese groups from increased competition. Last year, Toyota had 22 per cent of the domestic

cent, Honda 12 per cent and Nissan 11 per cent. This compared with Ford on about 1 per cent, said Mr

share from Japanese much, much bigger, improved our Asian share from 1.5 to 2 per cent, we New car manufacturers won't be the number two were unable to enter the manufacturer in the world any more," he said. Industry observers earlier

"Five to 10 years from

now, the Asian component

expressed surprise about the timing of Ford's return to the country amid the fall-out from the Asian crists - first quarter car sales slumped 47 per cent - but Ford says its investment is long-term. begin operations in the third

Its plant is expected to quarter next year. BANGKOK TRANSIT SCHEME \$2.5BN CLAIM AFTER CANCELLATION

Gold Fields Coal (GFC) which has pioneered South African use of the Matola bulk terminal at Maputo. said it was costing twice as much to send coal from its Witbank mines to Manuto as it was to the South African port of Richards Bay, even though Maputo was only three-lifths the distance.

Barbara Day, GFC's managing director, said it was extraordinary that GFC had been offered quotes to take the coal by truck to Maputo which were lower than the cost of sending it by rail. But using trucks was scarcely practical, she said, since GFC wanted to export 1m tonnes of coal a year via

Last year, the company sent 150,000 tonnes to test the route and assumed that rates would fall as the volume of coal exports rose. Since then we've had a deafening silence from the rail

five-month-old government authorities in terms of rates," she said. blow to the port of Maputo and to the ambitions of the The company's last South African and Mozambican governments for the cor-

The Thais may now bring rail link

pared to resume coal shipments via Maputo, but only at a lower price.

(\$16.87) per tonne in rail freight and port handling charges to export coal from Maputo, compared with about R42 per tonne from Richards Bay, she said.

# Palestinians push ahead with export venture but potential may be stunted

On the Gaza side of the Erez working round the the build the first phase of the build the first phase of the donors, however, being donors, however, however,

The \$84.5m project which Sunday with Benjamin Netanyahu, his Israeli counestinian ventures Israel wants implemented, provided its security needs are

Bank, the European Invest- at pushing through invest- ing jobs during closures, as ment Bank, the Interna- ment legislation, would well as weakening international Finance Corporation make it attractive for repaand the private Palestine Development and Investthe Palestinian Authority's Palestinians the chance to solve. Donors say it will ment Company, GIE will be first export-oriented indus-

get Palestinian, Israeli and ble of scanning containers regional investors," he said, on their pallets would be adding that GIE could border crossing with Israel, employ 20,000 on the site and would be just one inspection. Palestinian engineers are a further 30,000 indirectly in Containers would be working round the clock to ancillary services. Few checked and sealed in the donors, however, believe factories and go straight to

Egypt, where wages are well-

the ports in Israel.

foreign investment. But GIE raises as many the industrial estate.

> "The industrial estate cannot be a substitute for what



manager. "If it is so easy for

two months.

# Hopewell threatens to sue over lost profits

the Thai government for \$2.5bn in lost profits and scrapping last September of its ambitious overhead road and rail system for Bangkok. The government's action

could alarm other potential

investors in Thailand, warned Colin Weir,

Hopewell (Thailand) project

governments to ignore contracts freely entered into, a very bad message is sent out indeed," he said. The Hongkong infrastructure developer will go ahead with civil action to recover future lost profits and money already spent on the 30-year build-operatetransfer scheme if the government does not

Mr Weir held out an olive branch by proposing that Hopewell could go ahead with a trimmed down spent \$600m in Thailand so version of the scheme.

"The most sensible way contribute at least as forward is for us to sit down much. and renegotiate a new contract... The alternative

The Hopewell group no work will be done," Mr government paid me the 100,000m baht now I would costs caused by the happily take the money and go," he added. Any move to resurrect the scheme will require a foreign

> lacklustre economic climate 'If the government paid me the 100,000m baht

partner. However, Hopewell

now feels that - given the

- it should have no more respond positively within than a 50 per cent equity exposure to such a

happily take the

money and go'

now I would

any new partner will have to A previous Thai coalition

The Hongkong company

estimates it has already

government shandoned the

arguing during which time urban tollroad and railway after complaining that only Weir said. "But if the a fraction of the work had been completed after the contract was signed in

But Hopewell repeatedly claimed that design squabbles, problems of land access and red tape delayed the progress. Yesterday's warning by the Hongkong group appeared aimed at jolting a

led by the Democrat party into tackling a problem that the cabinet may bave assumed would fade away. contact with officials from the transport ministry was in September and no talks have been held with the new government.

in an independent expert to try to bring the two sides together over compensation; if that fails, the 1990 contract stipulates that the dispute will go to arbitration, according to Hopewell.

Although the original contract contained no penalties for late delivery. Thai officials have argued that it was voided by the

The suspension will be a the South African and Mozambican rail networks are now likely to face political pressure to cut their rates to encourage use of the Ms Day said she was pre-

It cost GFC about R85

cy still untilled

# Wanna be in my gang, my gang...



By Robert Chots, Economics

The world of international financial diplomacy has more cliques than the average high school playground. ton is playing host to the Groups of Seven. 10, 22 and 24, not to mention the offithe International Monetary

Fund and World Bank. The approach of Europe's single currency and the integration of emerging market countries more fully into the world economy is making tion that the G10 is Eurothe existing structures in which finance ministry and central bank officials congregate look increasingly anachronistic. But while it is easy to create a new grouptate, killing off redundant passing these countries in

Newest kid on the block is the Group of 22, otherwise the Willard Group, after the hotel where it held its first meeting. Bringing together officials from the Group of Seven leading industrial countries with their counterparts from 15 developing nations, it met last night to discuss lessons of the Asian

financial crisis. One focus of the meeting tic financial systems and the operation of world capital markets. These issues are normally discussed in Basle by central bankers from the Group of 10, which despite its name comprises the US. Canada, Japan and eight European countries.

The US convened the G22 meeting partly from frustrapean dominated and does not include emerging market economies now playing an important role in world capital markets. The Asian the importance of encomThe highest profits group. The US inspired group for 'one-off meeting comprising 67 plus-Argentina, Australia, Berzii, China, Hong Kong, India, and World Canada, Italy and the UK. Heads of government and finance ministers meet

will be less important.

A further institutional

problem is raised by

Europe's looming single cur-

rency. It would make sense

for the European Central

economic and exchange rate

trends, but the US is reluc-

tant to see another European

institution around the table.

Its view is if the ECB comes

in, someone else must go

discussions of issues affecting world markets and investment flows

The US has been careful to say that the G22 meeting is a one-off exercise to address the lessons of the Asian crisis. But many emerging market members would like a permanent G22 arrangement. Alternatively, the 25 subscribers to the New Arrangements to Borrow, a credit line for the IMF currently being ratified, could meet permanently. These countries comprise a similar mix of developed and emerging market countries.

problem of reforming the G7 means that an informal G3 process is likely to be set up in which finance ministry and central bank officials This prospect does not from the US and Japan meet appeal to the smaller European economies, which are their European counterparts. not members of the G?. They The position of the ECB is clear here, but who would groups gain in importance, represent Europe's fiscal their membership of the G10 dimension? Should it be a Observer, Page 17

representive of all EU finance ministers or just those in the euro area?

inter-governmentals, finance ministry officials, central Bank (ECB) to be reprebankers and development sented at G7 discussions of officials also meet in the interim and development committees. They jealously protect their influence, not least because they represent almost all countries rather than particular interest Officials believe that the groups. But with questions raised this week about the scope for greater co-opera tion between the IMF, World Bank and other international bodies on financial issues, the overlap between the two committees will

**AGEING POPULATIONS REPORT WARNS OF EFFECT ON ECONOMIES** 

# Fewer workers will cut growth rates

The ageing of populations will cut economic growth but improve current account positions in the advanced industrial economies, according to a report discussed yesterday by finance ministers and central bankers from the Group of Ten.

MONRIF GROUP

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il Resto del Carlino

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The report predicted that a fall in the proportion of the population participating in the labour force could more than half a percentage

is a lot compared to typical trend growth rates of 2 or 3

The report warned that underlying productivity growth, which is dependent on techonological progress and capital accumulation, could also be dampened by a fall in saving when the "baby boom" generation retires

Looking on the bright side, "the more rapid ageing of gross domestic product by the G10 countries on average relative to the non-G10 counpoint in many G10 countries tries could contribute to an and central bank governors sion and health care

tion of the G10 countries for at least the next

The report warned, however, that this improvement might be reversed if G10 savings rates declined and ageing progressed further.
"Actual outcomes for current accounts will also depend on a variety of other factors influencing both savthe report predicted that ing and investment across countries," it added.

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The G10 meeting - comprising finance ministers cially sustainable public pen-

between 2010 and 2030. This improvement in the aggre- from the US, Japan, Ger- systems, and increased religate current account posi-many, Italy, France, Canada, the UK. Switzerland. Sweden, the Netherlands and Belgium - concluded that it was important to pursue "appropriately timed fiscal consolidation" and to pursue ways of raising national sav-

> \*Acknowledging that the choice of how retirement income and health care are provided will depend on national circumstances, they supported the use of mixed approaches based on finan

ance on private pensions and other forms of private saving as the most promising ways to alleviate demographic pressures on exiting arrangements," the G10 communi que concluded.

The report pointed out that government revenues would suffer as the haby boomers moved from their high income-generating years to retirement. It noted that countries which relied more on consumption of value added taxes would suffer less than those relying on HEDGE FUNDS MANAGERS HIT BY SPEED OF ASIAN CRISIS

# Investment pools 'late to take up positions'

investors often painted as the villains in economic cries, were at the back of the herd in speculating against Asian currencies last year, a study\* by the International Monetary Fund says.

"Hedge funds did have large positions against the That babt in the summer of 1997, but so did other investors, and most hedge funds were relatively late to take these positions." Scant evidence existed that hedge funds had equally large nostions against other Asian that many hedge fund managers, like other market particinants, were surprised by the speed and virulence of the Asian contagion." Hedge funds are private

to exploit tax and regulatory advantages. Macro-hedge funds take large unhedged positions based on assessments of macroeconomic and financial conditions, and relative value funds, more highly leveraged, take bets on relative prices of closely related securities.

investment pools, often com-

prising a few wealthy inves-

Though hedge funds are large in absolute terms, they are dwarfed by other institutional investors such as pension or mutual funds, the study aids. Hedge fund capi-tal was some \$100bn in the to increase financial market third quarter of 1997, of stability. But limited meawhich \$25bn was in the hands of the macro-funds of popular imagination.

Redge fund capital thus pales when compared to the more than \$20,000bn held by

"This points against the contors and domiciled offshore clusion that hedge funds play a singular role in precipitating crises."

Evidence suggested the positions taken by hedge funds and institutional investors often diverged in a particular time period, but there was no evidence pepsion funds and the like changed tack to follow the hedge funds lead.

Regulators in the US and UK, where the biggest hedge funds operate, see little reason to do more to regulate and limit hedge fund activity sures to improve regulation might be considered

\* Hedge Funds and Financial Market Dynamics; B. Richengreen et al. IMF Occa-

MEASURING DEVELOPMENT WORLD BANK REPORT ON INDICATORS.

## Statistics key weapon in war on poverty

Life can be expensive if you live in Syria, but have a loved one in the US. The price of a three-minute telephone call from Damascus to Detroit is \$38.41, more than 10 times the cost of ringing from Dortmund or Dieppe. This essential piece of

information is only one of 600 indicators that the World Bank uses to measure a country's economic development. The more advanced a country you come from, the less it costs to tell an American you love them.

The World Bank issued its latest volume of World Development Indicators in Washington yesterday. Its 400 pages tell you everything you want to know about ferceptive use, military spending, cable television

of endangered mammals in accountable for the results." countries around the world. You discover that Uganda is the most dangerous place in which to own a car, that Switzerland has the most hospital beds per head of population and that the citiworld's most voracious newspaper readers.

But the indicators have a serious purpose. "The World deca Bank is committed to helping countries fight the scourges of poverty, illiteracy, disease hunger and environmental degradation." argues James Wolfensohn.

"We believe that by reporting regularly and systematically on progress toward the targets the international community has set for itself, we will focus attention on the task ahead and make those responsible for advancsubscriptions and numbers ing the development agenda

The report notes that the Organisation for Economic Co-operation and Development has set a target of reducing by half the proportion of the world's population in extreme poverty 'zens of Hong Kong are the living on less than \$1 a day - by 2015. This means lifting nearly 1bn people out of poverty over the next two

> The Bank believes this can be achieved if China and India sustain their rates of economic growth. Indonesia and Brazil have also been growing quickly enough to achieve this target, but the likes of Kenya, Zambia and Guinea-Bissau are lagging

behind. The report finds that in general people in developing countries are healthier, better fed and more educated than ever before, but prog-

# UN urged to allow Iraq Annan oil equipment imports

Even with emergency epairs. Mr Annan said Iraq every six months in 1998. In

top UN weapons inspector senior diplomats to accomwarned in a report that the pany weapons inspectors in issue of ongoing access to order to guarantee that sites remained unresolved. The US two months ago was

A report on the first round of inspections of presidential palaces led by Jayantha Dhanapala, the UN undersecretary for disarmament, mostly put a positive gloss on Iraqi co-operation with UN inspections of suspected

He said relations between international weapons

be respected.

Under the accord, Iraq

(Unscom) access to all suspected weapons sites, including the eight presidential

But the same document contains a report written by Charles Duelfer, deputy chairman of Unscom who led the expert part of the inspection team. It warned that Baghdad had not agreed to allow weapons inspectors unrestricted access.

"It is essential to note, however, that the fundamental issue of continuing access is by no means solved and has only been postponed to the future," he wrote. Mr Annan yesterday defended his accord. "The agreement allows Unscom to

go in and to go back again," Mr Duelfer, an American, also said the Iraqis were trying to undercut the experts' authority by raising issues

## criticises **African** leaders

By Laura Silber

general, yesterday criticised African leaders for abusing power and urged them to slash military spending to less than 1.5 per cent of their national budgets.

Mr Annan delivered his report while preparing to announce his decision to withdraw a team of 26 UN human rights investigators from the Democratic Republic of Congo (formerly Zaire), after months of government obstruction and intimidation, including the murder of a key witness

The team, which also included Congolese, was investigating reports that fighters loyal to Laurent Kabila, now president of Congo, killed tens of thou-sands of Rwandan refugees in 1996 and 1997.

A native of Ghana and the son of a tribal chieftein, Mr Annan said: "It is frequently the case that political vic-tory assumes a winner-takesall form with respect to wealth and resources. patronage and the prestige of prerogatives of office."

He said the role "some African states played in supporting and sometimes even in instigating conflicts in neighbouring countries must be candidly acknowledged". But he shied from naming individuals or states as responsible for bloodshed or instability.

He also rebuked foreign actors. "In the competition for oil and other precious resources in Africa, interests external to Africa continue to play a large and sometimes decisive role, both in suppressing conflict and in

in Rwanda, Somalia and Liberia] African leaders have failed the peoples of Africa, the international community has failed them; the United Nations has failed them."

# strikes against Baghdad in tors charged with dismantlorder to win full, unlimited access to all sites.

iraq should be allowed to import \$300m in equipment for its oil industry, whose exports will fall far short of the \$5.26bn approved under the UN oil-for-food deal, Kon Annan, UN secretary gen-eral, yesterday told the Security Council.

could export only \$3bn of oil an effort to alleviate the plight of iraqi citizens, hard hit by crippling sanctions. the Council in February more than doubled the previous figure Baghdad was allowed to export under the

poised to launch military pledged to allow UN inspec-

experts and Iraqi officials were "correct and both sides conducted themselves with professionalism and restraint". The inspections marked the first time UN and international experts have won access to the presidential sites and came after Mr Annan struck an accord The proposal came as a in February, which called for

Iraq regarded as sovereign

# Blair plans low-key role on Middle East mission

By David Buchan and George Parker

Tony Blair, the UK prime minister, today starts a lourday swing through the Mid-dle East with the delibertely low-key aim of providfor a relaunched US peace

"Do not expect any breakthrough," cautioned his eve of the UK prime mints- cials said. ter's arrival this afternoon in Cairo, the first leg of a trip that will take him to Saudi Arabia, Jordan, Israel and the Gaza strip.

To avoid any repeat of the row that engulied his foreign secretary, Robin Cook, last month, Mr Blair is not to go near occupied east Jerusaem. Instead he will hold all his talks with Palestinian officials in Gaza on Monday. Mr Cook's protest visit to a Jewish settlement in southeast Jerusalem so angered Prime Minister Benjamin etanyahu that he cancelled

a planned dinner with the Mr Blair believed the recent UK foreign secretary. Mr Blair's spokesman

claimed that east Jerusalem would be omitted from the itinerary because "President Yassir Arafat had requested that the prime minister ing European Union support spend as much time as possible in Gaza". While he was in Gaza, Mr Blair also hoped to meet Falsal Husseini, the chief Palestinian representaspokesman in London on the tive in Jerusalem, UK offi-

> "There is no question of stantial issues of land for this (itinerary) being the result of Israeli influence", Mr Blatr's spokesman said. "because we have not discussed this part of the trip with the Israelis - it was agreed between us and the Palestinians." Mr Blair was said to be

very keen to make his Middle East trip while Britain still held the European Union presidency. "It is important to do what we can to inject new momentum into the peace process," UK officials said. They also said

Northern Ireland peace accord showed the importance of persistent dialogue. But the low-key nature of his trip was underlined when UK officials said that Mr Blair would focus his Gaza talks on "narrowing the gaps" between Israelis and Palestinians over the opening of the Gaza industrial estate and airport, and that even these issues were "no substitute for the sub-

Dennis Ross, the US special envoy to the Middle East, is due to resume a peace mission in Israel on Monday as Mr Blair leaves. Yesterday King Hussein crossed into Israel to hold surprise talks with Mr Netanyahu at the Red Sea port of Etlat. It was the two men's first meeting since Israeli agents bungled an attempt to assassinate a leader of the Hames move-

peace" which were being

brokered by the US.

By not averting those colossal human tragedies [as

His report, which aims to identify the causes of conflict in Africa, lays down a broad framework to promote peace and development in

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ARGENTINE INSURANCE

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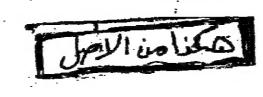
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US President Bill Clinton summit, the first gathering arrived in Chile yesterday of the hemisphere's leaders for four days of discussions with Latin American leaders December 1994, was an that will culminate in the empty exercise. They second Summit of the Ameri- pointed out that progress cas at the weekend.

Heading a large team of improve co-ordinated efforts
US cabinet members that to tackle drug trafficking. included Madeleine Albright, and strengthen education secretary of state, Sandy and health system Berger, his national security adviser, and Charlene Barshefsky, the US Trade Representative, Mr Clinton kicked off the meetings by signing environmental protection, those achievements." education and financial

their frustration about US including membership of the North American Free Trade Agreement. The Clinton a setback which severely hampers efforts to sign trade

Chile or any other country. US officials were anxious track for Mr Clinton, the since the Miami summit in was expected in measures to

"Latin America has made enormous progress in the last ten years in both establishing democratic constitu tions and in achieving rapid an agreement with President economic growth," said one Eduardo Frei of Chile to official. "What is now improve ties between the needed is agreement on a two countries in improving range of reforms to build on

Despite rapid economic growth in Latin America in Later Mr Clinton was the last few years, income scheduled to address Chilean gaps between rich and poor business leaders and soothe bave widened, and South America has the distinction failure to make good on a of having the greatest eco long-standing promise to nomic inequalities of any Chile: that it would be the continent. Summit leaders first country in the hemi- are keen to portray discussphere after Mexico to get sions as an attempt to demapproval for special trade onstrate a hemisphere-wide privileges with the US, commitment to improving quality of life for poorer Letin Americans.

But trade will still he the administration last year dominant backdrop to the failed to secure congressio- meeting. The summit will nal approval for fast-track formally launch negotiations trade negotiating authority, to establish a Free Trade Area of the Americas by 2005, with detailed discusopening agreements with sions scheduled to begin no later than June.

to play down suggestions Editorial Comment, Page 17

#### NEWS DIGEST

#### **ELECTRONIC STOCK EXCHANGES**

### **SEC plans improvement** in online standards

New electronic stock exchanges will be forced to improve their computer systems and accessibility if they prove popular with investors, under new proposals by the US Securities and Exchange Commission. The SEC said the rapid growth in so-called alternative trading systems meant operating stan-dards needed to be raised among those with substantial trades, defined as more than 10 per cent of the trading vol-

ume of a particular security.

The number of alternative tracing systems – including internet trading - had more than doubled in the last year from 20

Under the SEC's plans, successful new systems would have the choice of either minimal regulation as a brokerdealer, or registering as a new exchange. Systems with low volumes could avoid the new rules, and would simply need to

maintain audit traits and file quarterly reports. In contrast, broker-dealers with substantial volumes would have to link with a registered exchange and display all orders to the public. They would be required to offer open access to investors and brokers, by stopping unfair discrimination.

Established markets were offered the chance to compete more equally with their new electronic rivals under the plans published yesterday. However, the SEC deferred a decision on the issue of how to allow foreign stock exchanges to do business in the US. Richard Wolffe, Washington

#### ARGENTINE INSURANCE

#### Date set for liberalisation

Argentina will open up its insurance market from October by ending curbs on new entrants, Carlos Rodriguez, deputy economy minister, has announced. Previously, insurance companies wishing to operate in the Argentine market had to

buy, or form partnerships with, existing operators.

The move is expected to lead to a shakeout in the lossplagued industry, in which almost 300 companies operate, and boost foreign investment in the sector. New capital requirements for the industry would also be introduced, requirements (of the massey) phased in over two years, Mr Rodriguez said. General insur-ers' minimum requirements will rise from the present \$550,000 to \$3m in a move aimed at promoting mergers.

Foreign investment in the sector is already rising. In November Royal & SunAllance, Britain's biggest insurer, announced a \$40m investment in its local subsidiary to finance a move into shipping and personal risk insurance. Newbridge, a US private equity fund, has bought a clutch of insurance compa-

### BRAZIL ECONOMY

### Lending rates keep falling

Brazil's central bank has cut its base lending rate to 23.25 per cent a year from 28 per cent, in a continuation of its policy of gradual interest rate reduction. A further cut of the same size would bring the base rate to its level of last October, before it was doubled in response to the Asian economic crisis. The central bank also cut its assistance rate, to 35.25 per cent from 38 per cent. Jonathan Wheatley, São Paulo

### BRITISH COLUMBIA

### Pulp deal put to the vote

Union members in British Columbia will be voting today and tomorrow on a tentative agreement to end the longest strike in the province's forest industry. About 2,100 workers at three pulp and paper mills owned by Fletcher Challenge Canada will vote on a five-year pact that offers a wage increase of 15.4 per cent and a C\$2,750 (US\$1,900) signing bonus. The company, however, actieved its principal goals of increasing workplace flexibility, allowing more contracting out of work

and operating its milts 365 days a year. The agreement with Fletcher was the first negotiated in the industry in this round of bargaining, and is likely to set the pattern for agreements with other BC pulp and peper companies. Edward Alden, Toronto

### Microsoft triggers start of countdown to its own destiny

Announcement of Windows 98 launch has given US regulators a deadline for a decision on whether to file for new antitrust charges against the industry leader, writes Louise Kehoe

Windows 98, its intention ing the stable door after the was to stir excitement horse bolted Moreover, they among PC enthusiasts. Its might face a backlash from unintended effect was to set PC users who had already clocks ticking in the offices loaded the new software on of antitrust officials in to their machines. Washington and in state cap-

begins shipping copies of the next version of its personal to PC manufacturers about a month earlier - regulators must reach a decision on whether or not to file new antitrust charges against the software industry leader.

itals throughout the US.

Their deadline is self-imposed, but nonetheless real. Windows 98 is at the centre flat. However, in legal and of a debate over Microsoft's political circles Microsoft is alleged monopoly and accusations by competitors that over how antitrust laws the company has abused its market power.

Even Microsoft's lawyers acknowledge that if the company is to be the target of new charges, it will probably that Microsoft holds a in the current version of case, the focus of their atten-

hen Microsoft this happen in the next few monopoly. Yet its executives week set June 25 as weeks. Any later and regulation is under threat from or market access.

The rush to determine whether Microsoft should be Before the big day - and subject to charges demonpreferably before Microsoft. strates the dilemma faced by mation technology industry. regulators. Microsoft critics in the industry are persuasive when arguing that the company's domination is deterring competition but tens of millions of consumers are buying Microsoft's products without complaint.

Efforts by consumer activists to draw attention to the issue seem to have fallen at the centre of a debate should be implemented. With about 90 per cent of PCs in the world running one of Microsoft's operating

new technology and that it is therefore not a monopolist in the traditional sense, with the ability to control prices

Microsoft insists that government interference in its business would put a damper on the entire infor-As Bill Gates puts it: "The software industry's success has not been driven by government regulation, but by freedom and the basic human desire to learn, to innovate and excel."
Yet industry critics say it

tracts, bundling of one product with another and aggressive marketing tactics to deter competition. Already, per cent share of the the company is facing browser market at the charges that it has violated a expense of Netscape Commu-1995 antitrust settlement nications - is scheduled for Microsoft. Yet a decision on nology industry moves far agreement. A hearing on next week. that case, which revolves around Microsoft's inclusion of internet browser software ment prepare to argue that



Microsoft's Bill Gates argues industry needs freedom to prosper

helped it to win about a 40

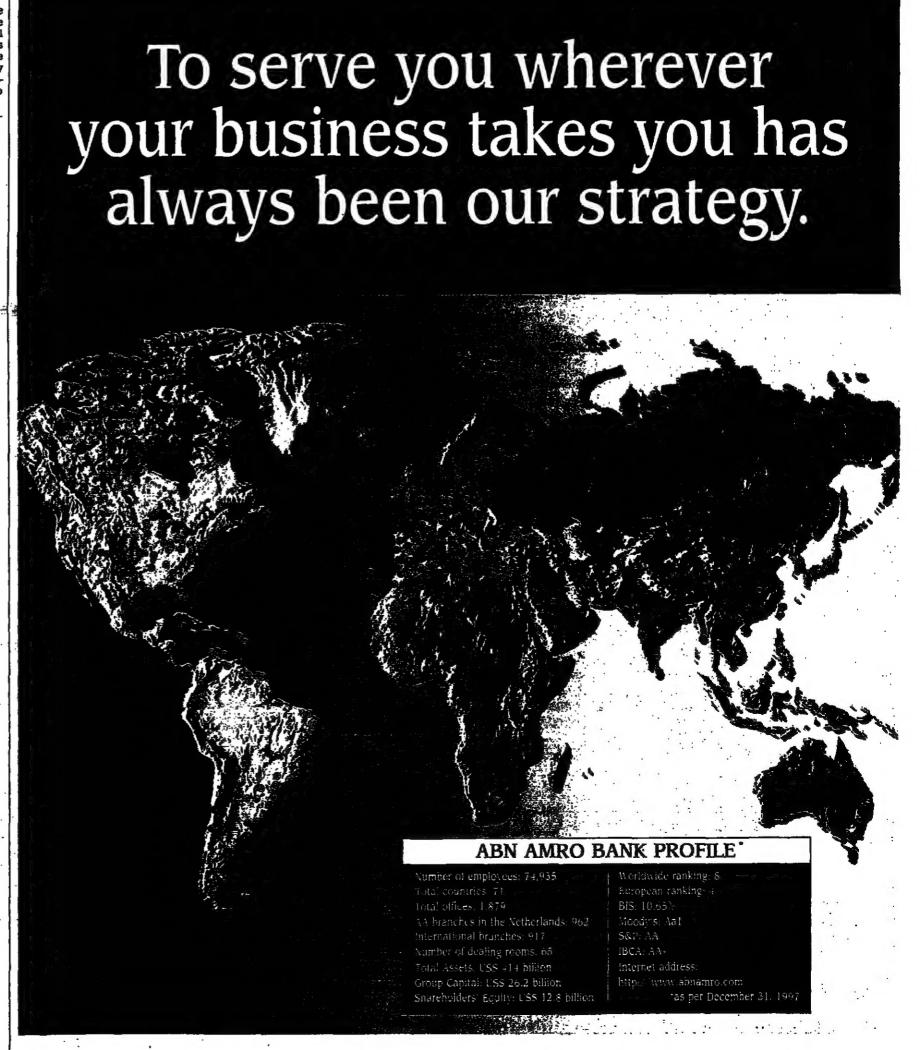
However, even as Microsoft and the Justice Depart-

Windows - a move that has tion is quickly shifting to the possibility of new charges. The Justice Department is believed to have plenty of whether to go after the comdies it might propose to the

the AT&T breakup - makes little sense. Operating systems software and applications, Microsoft's two main businesses, are closely intertwined. A more measured approach, perhaps requiring Microsoft to share information about the inner workings of its operating systems with other software developers, could be the answer. It would, however,

be difficult to oversee. Requiring Microsoft to consult with antitrust regulators before entering any new business segments, as some anti-trust experts have suggested, could be a recipe for long-term industry-wide regulation which even Microsoft's critics are anxtous to avoid. It also runs contrary to the Clinton administration's hands-off policy toward the internet.

But time is running out By announcing a date for also reminded antitrust regmore quickly than the judicial system. The greatest challenge facing the Justice Department may be keeping



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The killing continues in Cambodia's

miserable fields, writes Ted Bardacke

# Nine Japan finance houses close in HK

Nine Japanese financial institutions have closed in Hong Kong in the wake of the Asian financial crisis, and more are expected to follow suit as a result of Japan's "big bang".

According to the Hong Kong Monetary Authority (HKMA), which supervises the banking sector, six banks have closed (including some local representative offices), along with three deposit-taking companies. Of these, five closed in the past

At the same time, Japan's bigger banks, including Sumitomo, Sanwa and Fuji, have been taking steps to shrink their asset base in the territory. New loans and rollovers are being approved on a case-by-case basis, with industry at home. banks seeking to retain long-standing relationships with blue-chip clients.

The situation is unlikely to be reversed in the near future. Masaru Inoue, director-general of Jetro, the Japanese export and investment promotion agency, reckons the shrinkage in Asian countries will continue for three HKMA said there was no evidence of a big retreat of Japanese banks from Hong

"It is true that Japanese banks are currently being somewhat more cautious in expanding their balance sheets, but this is due to the general desire to enhance capital adequacy and profitability, not because of the wish to scale down their presence in Hong Kong," he

The partial withdrawal from Asia is a symptom of both internal and external factors. Japanese banks are under pressure to meet capital adequacy requirements and to restructure at parent level in order to prepare for the impact of liberalisation in the financial services

The Asian crisis has prompted banks worldwide to consider reducing their exposure to the region. For banks funding in Hong Kong there is also the question of cost: relatively high interest rates have constrained lending for those obliged to seek funds in the interbank mar-

For the Japanese, the cost tory.

A spokesman for the of these funds is even higher, due to the perceived credit risk. The resultant Japanese premium means that in some cases loans are barely breaking even, bank-

ers say. factor behind the retrenchment is the restructuring required by Japan's reform of the financial system.

"Some small banks will follow Bank of Kinki and the rest and withdraw from Hong Kong, maybe this year. As for the biggest banks, like Fuji, there's a possibility will decrease the num ber of Japanese staff here. but they will never close their offices in Hong Kong." Mr inoue added. In 1996, the latest year for

which figures are available. Japanese banks lent a total of just over HK\$2,177bn (US\$280bn) in Hong Kong. making them the biggest foreign lenders in the territory. Dong Tao, economist at CSFB, says that Japanese banks account for 28 per cent of all loans made in Hong Kong. He warms that the potential for further withdrawals could pose a

many as 2m of Cambodia's 8m people were killed. Pol Pot and his top aides, some of whom remain in the jungle and others who are

scattered in various parties

Cambodian jungle.

Pol Pot died late Wednesday

in a small but where be had

been held by his ex-com-

year. Late yesterday journal-

ists were allowed inside

Khmer Rouge territory to

early 70s, led the Khmer

rural offshoot of the Cambo-

dian Communist party in the

1960s through its four-year

rule of the country from 1975

to 1978 and then into

low-level guerrilla war for

During its administration

of the county, the Khmer

Rouge attempted to enforce

a radical agrarian utopia

free of money, cities, private

property, religion and intel-

the past two decades.

ol Pot, genocidal killer, across Cambodia's political was pronounced dead landscape, personally ordered thousands of execuold Khmer Rouge guerrilla tions. Many more died of movement falls apart in the starvation when the Khmer Rouge's collectivist agricultural system failed. That military officials said

Thai officials said yesterday they had been told Pol Pot died of a heart attack. rades since being purged When he was last seen pubfrom the Khmer Rouge last licly late last year he was visibly ill. No independent autopsy is expected to be performed and his body is scheduled to be cremated identify and photograph the inside Khmer Rouge territory tomorrow, leading to speculation that his ex-com-Rouge from its origins as a rades poisoned him when a

plan to turn him over to an international tribunal failed. Born as Saloth Sar into a prosperous family which owned rubber plantations, Pol Pot went to France in the early 1950s for a technical education in radio elec-

During his studies in Paris he joined the French, Communist party at the height of hard-line Stalinist phase and was introduced to radical Marxist and anti-colonial philosophies.

The devastation unleashed by Pol Pot's peculiar thix of these views gives many Cambodians to this day a fought him.

Pol Pot is dead: but his reign of terror lives

nse of life that is devalued Killing as a method of solv-ing disputes is the norm; at times even an afterthought. What this also means is that Cambodians today are also afraid to take risks. especially political ones. abmitting to power is the

only safe alternative. In a sense Pol Pot lives on in the millions of landmines that continue to terrorise the country. The world's most brutal and indiscriminate apons are also a Khmer Rouge favourite. The problem is especially acute for Cambodia's thousands of internally displaced peoples,

in the first place. Land they are supposed to farm is useless, as it is littered with mines layed either by Pol Pot's men or those who In an interview late last

year Pol Pot was unrepen-

"My conscience is clear." Pol Pot told Nate Thayer of the Far Eastern Economic Review. "Everything I have done and contributed is first for the nation and the people and the race of Cambodia.

Now the Khmer Rouge. without the mesmerising influence of Pol Pot, and having lost financial and logistical backers such as China, the US and Thailand after the group boycotted UN-sponsored elections in

1993, is disintegrating.
Plagued by the defection to the government in 1996 of a faction that controls important tracts of forest and gem mines and more recently by another group close to the long-time stronghold of Anlong Veng, the hardline movement is down to about 200 fighters headed by a brutal military leader. the one-legged Ta Mok.
Yet the Khmer Rouge

remain an important piece of Cambodia's political jigsaw. Former Khmer Rouge lead-

mostly returning refugees ers are entrenched throughwho fied the Khmer Rouge out Cambodia's military and its political parties. Rival negotiations between the Khmer Rouge and Cambodia's warring political factions prompted a coup last year led by second prime minister Hun Sen. Thriving on instability,

infighting and corruption. government officials often use the implicit security threat posed by the Khmer Rouge as an excuse for the country's problems. Things might be bad now but they are better than when the Khmer Rouge were in power, is a constant refrain heard in Phnom Penh's ministries.

This use of the Khmer Rouge era as the main reference point for all comparisons in contemporary Cambodia - an implicit victory for Pol Pot's goal of turning the country back to Year Zero - is a big obstacle to reconstruction.

"As long as we keep looking back to the Pol Pot regime for an example of how had things could be, we are never going to get anywhere," says Sam Rainsy, a former finance minister and opposition leader. "And not getting anywhere, not movwhat Pol Pot wanted. Killers of our time.

#### **NEWS DIGEST**

CORRUPTION AND FRAUD CHARGES

### Share trading scandal trial starts in Hong Kong

The former Hong Kong managing director of a US-based private investment company appeared in court yesterday charged with 18 counts of corruption and fraud in a HK\$60m (US\$7.75m) share trading scandal. Kevin Lee, former head of Rockefeller & Co (Far East) is accused of taking bribes and making illegal gains in share trading. The charges relate to the period 1992-96, when it is alleged that Mr Lee traded shares contrary to Rockefeller's interests but to his own benefit.

The alleged fraud is the latest in a series of high-profile corruption investigations by the Independent Commis Against Corruption, Hong Kong's anti-graft agency. Charges against Mr Les, who was arrested last year and freed on ball. include allegations that he took payments from locally listed companies in return for buying their shares. Mr Lee is also accused of ettempting to defraud Rockefeller & Co by dishonestly selling shares in Steady Safe, an Indonesian transport company, to an investment company he controlled. Mr Lee was allowed an extension of ball but was ordered to surrender travel documents. John Ridding, Hong Kong

#### NEW ZEALAND CURRENCY

### Plastic banknotes adopted

The Reserve Bank of New Zealand has announced plans to print all its notes on the plastic polymer sheeting developed by its Australien counterpart in partnership with UCB Films, a UK-based polymer film specialist. Australia's bank notes are all now printed on the distinctive plastic sheeting, which looks and folds like traditional paper money, but has a waxier feel. The notes also carry a distinctive transparent window, which makes them harder for counterfeiters to photocopy.

The Reserve Benk of Australia has formed a joint venture with UCB and has proselytised around the world for the polymer material. Its successes have so far been confined to such countries as Singapore, Western Samoa, Brunel, Papua New Guinea and Kuwait, whose humid climates can play havoc with ordinary paper money. Although the plastic notes cost twice as much to produce as ordinary paper notes, they last four times as long. George Graham, Banking Editor

#### INDONESIAN PROTESTS

#### Students denounce Suharto

Thousands of Indonesian students held campus protests ye terday against President Suharto, calling him the "cause of aldisasters". At least nine were injured in a clash with police, es said. It was the second day of intensified prote blaming the President for the country's economic crisis. Both the rupiah and the Jakarta stock market closed weaker, at least partly because of the protests, dealers said. In New York, talks continued for a second day between

creditors and indonesia debtors to reschedule more than \$74on in private foreign debt. The issue has become central to indonesie's efforts to overcome its crisis. Reuters, Jakarta Indonesia and the IMF, Page 17

### NICO COLCHESTER JOURNALISM FELLOWSHIP

nalists for the 1998 Nico Colchester fellowship. This consists of a se-month internship at the Financial Times in the automo of this

The fellowship is established in memory of Nico Colchester, who died in 1996 at the age of 49, after an outstanding career at the Financial Times, The Economist, and the Economist Intelligence Unit. Nico was one of brimin's finest writers on foreign, especially European, affairs as well as

to the applicant, from a European Union country other than Britain, who abouts the best, specially-written 1,000-word article, in English, on a

The Financial Times, One Southwark Bridge. London SE1 9HL

This prize is supported by Halifax plc, the Financial Times, The Economist, B.A.T Industries plc, and 3i. The 1999 fellowship will

# Taiwan to start power sell-off early next year

By Laura Tyson in Taipei

Taiwan will begin selling shares in state-owned Taipower early next year and plans to complete privatisation of Asia's fourth biggest electric utility by June

Investment bankers familiar with the plan say the planned sell-off of between 50 and 60 per cent of the company would be worth at least US\$7.5bn. The privatised company would have a market capitalisation of US\$15bn, making it among the biggest concerns listed

on Taiwan's stock exchange. Richard Hsu, Taipower's interview that privatisation would allow the company to diversify into telecommunications, transport and real estate development and to offer contract maintainence services to private power

plants now being built. Earlier this month, the economics ministry set a schedule for release of shares to the public. Under the plan, the government holdings in the utility in 1999, another 10 per cent in 2000 and between 31 and 41

Taipower is the world's of 25,785MW. It is also

in electricity sales in

tricity sectors.

Jardine Fleming is leading

Mr Hsu said the company would be initially privatised and later divisions - such as generation, transmission and distribution - would be spun off separately.

To diversify shareholdings, he said the government plans to allocate 30 per cent of Taipower's shares to offering under which qualified citizens can buy up to 5.000 shares, with incentives

for long-term holders.

The sale of Taipower is part of a big privatisation drive which includes dismantling state monopolies in the telecoms, oil and elec-

a consortium that is advising Taipower on the privatisation scheme. The group includes Goldman Sachs, Arthur Andersen, Grand Cathay Securities and the Taiwan Institute of Economic Research.

Depending on how well the offering is received in the domestic market, foreign investors will be allowed to per cent in 2001. The plan is take part in the second and expected to approved by the later tranches of the sale. Taipower will also set aside up to 20 per cent of shares 14th biggest electric utility for employees at a dis-with total installed capacity counted price. The company is also seek-

among the fastest growing, ing strategic investors from recording a 6.4 per cent rise international energy-related companies which can bring

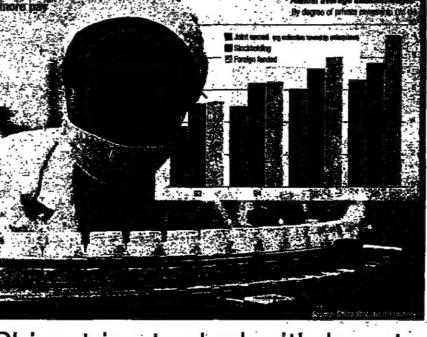
management skills, operational know-how or enhanced safety to the company. The combined holdings of such investors could amount to as much as 10 per cent of the company, Mr Hsu

Securities analysts said foreign institutional investors would be keen to buy into the stock if only to maintain their portfolio weightings, as Taipower will be one of Taiwan's leading blue chip stocks.

Taipower used to horrow frequently from internagovernment policy change it has confined its borrowing to the domestic market for at least a decade, said Mr Hsu. Outstanding foreign debt amounts to just

Taipower, which operates three nuclear stations and is building a fourth, will remain Taiwan's dominant power supplier in spite of privately owned power plants that will begin com-

ing on line this year. Many of the independent ing delays in the environmental assessment process or facing financial difficulties. Of the 11 licences handed out several years ago, only two plants have begun construction.



# China tries to deal with how to reward successful managers

owned enterprises continu-

James Harding

reports executive pay is becoming a big issue among Chinese companies

ccording to the compa-Any's promotional blurb, the success of China's most profitable manufacturer of traditional Chinese medicine owes much to the talents of the group's president, "to Feng Gensheng's creative power, his quick and speedy personnel management and his daring

The unfortunate irony for Mr Feng, though, is that he gets more in purple prose

But, then, what is the chief executive really worth? It is a niggling question asked by shareholders in chorus and employees in mutters across the western world. But in Hangzhou, a picturesque lakeside city in eastern China that is home to the traditional medicine business run by Mr Feng, executive remuneration is a new and testing issue. And, perhaps surprisingly, it is the chief executive himself who is stirring up the con-

"Previously, the rule was that remuneration should reflect the efforts and labours of all the factory workers," says Mr Feng, who has spent most of his 26 years as company president on a monthly salary of \$70. "But, now, there is a new spirit. People should be paid according to their contribution to the company and according to their position in the company. After all, it is the manager who really decides the fate of a com-

In the past, egalitarian China sought to blur the lines between the boardroom and the shopfloor - and that included pay. The presidents of Chinese state-owned enterprises, regardless of whether the business made or lost money, were awarded meagre official sums, just a step or two removed from their workers' basic salaries.

There were always perks,

but not multiples of pay.

ship started to give recogni- overseas. The company is tion to the role of the manager. Zhu Rongji, China's in 1992, a company subsidnewly appointed prime minister, said last month: "We cannot put an end to state-

ing to lose money without solving the leadership probout changing the outdated management structure." Such acknowledgement of the responsibility of the chief executive has helped

bring the issue of the boss's pay into the open and better remuneration - either through pay or, more commonly, through share owner-ship - stands as a potential incentive to help improve Since President Jlang

Zemin sanctioned China's state enterprises to start issuing shares to its workers and managers, companies have jumped at the chance to transform themselves into what are known as "stockholding companies" - and the assumption has tended to be that the manage is deserving of a bigger stake than the workers.

acy of life as a manager in more doctrinaire days is preventing him from taking up a manager's benefits now that China is beginning to embrace the capitalist culture of executive rewards. Quite simply, he says, he cannot afford to buy the shares the company is offer-

r Feng took over as head of what was then the Hangzhou No.2 Pharmaceutical Company in the early 1970s. Since then he has helped turn a small workshop into an expansive pany, whether it succeeds or factory complex that claims fails." to be the most profitable business in the Chinese medicine industry.

The company's flagship product, "Qingchunbao" product. (loosely translated as the Treasure of Youth), is one of the best known anti-ageing medicines on the market. to cheat them." Mr Feng Many of the group's other health products, which include male fertility tablets, obesity-reducing tablets, offered as a reward for years anti-diabetes pills and a of service. The problem for range of Ginseng-based medicines, are now being sold ing his value.

now known as the Qing-

iaries established a joint venture with Thailand's Chiatai Group and since the injection of capital, profits have soared. Last year, Mr Peng says the group achieved profits of roughly Yn200m (\$24m) on sales of Yn800m, compared with profits of Yn15m and

In recognition of his years of service, the Qingch board has invited him to buy 2 per cent of the compa shares worth Yn3m (\$362,000) in a general sale of 15 per cent of the equity to employees (normal workers are entitled to buy, on average, Yn10,000 worth of shares).

To take up the offer, Mr Feng has to find the money His monthly pay was ratch eted up from \$70 in the early \$1,000 a month, but, still he asks: "How can I afford to buy Yn3m worth of shares with that kind of money?" Unusually, Mr Feng has

chosen to make a public fuss. He has spoken to the local press and his concerns were even examined in the People's Daily, the national mouthpiece of the ruling Communist party. only prompted greater public debate in China about how

to value the input of the manager into a successful business. It has also focused attention on the great public anxiety that surrounds buying shares in state enterprises, an "opportunity" for many state workers that involves risking a substantial portion of their life savings for an unclear, often uncertain, future reward. "Ordinary workers think

that if the management buys just one tenth of the allocation they are offered, then they do not have confidence in the future of the firm and think the company is trying says. But he says he has confidence in the company and wants to buy the stake being Mr Feng, however, is realis-

year, a bursary of £4,000 to cover travel and accommodation, and a small weekly supend from the FT.

The trustees of the Nico Colehester foundation will award the followshi

topic relevant to political, economic, scientific or business insues in Europe. As Nico's work was characterised by its originality and impos reference will be given to applicants who reflect those trains.

Emrica, by the closing date of May 31st 1998, should be sent with a CV

The Editor (Nico Colchester prize),

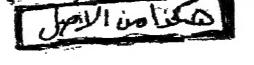
consist of an internship at The Economist.



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# Lloyd's tells Names to accept reforms

By Christopher Adams. Insurance Correspondent

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vision. Ron Sandler gave the - individuals whose funds traditionally support the have to raise fresh capital market - to commit them each year. This is supplied said Mr Sandler. These all

The chief executive of insurance were making it reform the current system. ness pressures in global and corporate capital to Lloyd's of London, the insurimperative for Lloyd's to to accept that the "annual ance market, has delivered a implement radical reforms, venture" had "outlived its blistering attack on its tradi- in order to turn it into a usefulness". tional system of capital pro- modern-style business backed by permanent capi- ability of Lloyd's insurance strongest indication yet that tal. Most of the insurance vehicles to participate in Lloyd's may require Names syndicates which collectively multi-year contracts and

Mr Sandler urged Names,

yesterday that intense busi- to efforts by underwriters

The structure hindered the underwrite risk at Lloyd's make long-term investments in new skills and technology. selves to Lloyd's for longer by Names or by corporate require permanent capital and a planning horizon which is incompatible with

of Names at a conference many of whom are opposed the concept of the annual quires the imposition of a clear sign of Lloyd's manage venture."

> Lloyd's and was restricting efforts to regain lost market share. "The annual venture imposes additional costs in almost everything we do, from running-off open years to the fees we pay to US lawyers for advice to prevent us from breaching US securities

> "The separation of capital providers from those who manage the capital . . . re-

case," he said. "Even profit

ture's complexity and the parts of Lloyd's. "arcane" accounting methods used by Lloyd's, many potential investors in the specialist insurance businesses that operated in the

Because of the annual ven-

market were deterred. Mr Sandler's attack was a

regime of regulation and dis-ment concern that its centu-He said the system closure more burdensome ries-old structures have imposed a cost burden on than would otherwise be the become a handicap. He become a handicap. He seemed frustrated that he distribution is a task of quite could not speak for Lloyd's incomprehensible complex- ruling council, which comprises some 18 elected representatives from different

He said the council was "not ideally suited" to make strategic change. Elected representatives usually stood for vested interests and had little relevant expe-

#### **NEWS DIGEST**

OFFSHORE CENTRES

### **Bailiff defends 'integrity** and honour' of Jersey

"Jersey is not a haven for money launderers and those engaged in fiscal fraud," the island's Balliff, Sir Philip Ballhache, said at a dinner in honour of the Lord Mayor of London, Alderman Richard Nichols. The mayor is on an official visit to the island finance centre between England and France. Jersey, like other offshore centres close to the UK, is to be covered in a UK government review of regulation standards. Sir Philip said that false perceptions persist in some quarters that Jersey is a home for underhand dealings. "The truth is that Jersey stands shoulder to shoulder with the Corporation of the City of London in defence of the highest standards of probity, integrity and honour," added Sir Philip, who heads both the island's judiciary and legislature. "As in every jurisdiction, a few rotten apples there may be, but the Jersey barrel itself is wholesome and strong." Philip Jeune, Jersey

#### THE ECONOMY

#### Services push domestic growth

The sustained surge of activity within the UK's service secto continues to keep domestic economic growth going despite fattering exports, according to a survey released yesterday. A report by the British Chambers of Commerce showed that the imbalance within the economy continued to tip towards services during the first quarter of this year. Service sector companies continued to report strong growth in output, orders, employment and profitability. Manufacturing companies reported very weak export sales and orders, but domestic demand for manufactured goods has kept overall output just below its trend level. The BCC survey is the biggest of its kind and covers nearly 9,500 companies employing more than im workers. Richard Adems, London

#### TOURISM

#### Cuts urged in hotel tax

The British Tourist Authority yesterday urged the government to cut value added tax on hotel accommodation to bring the industry into line with overseas competition, it claims the tourism industry could grow by £3bn (\$5bn) a year if VAT on tourist accommodation was cut to 8 per cent from 17.5. A report by accountant Deloitie and Touche, commissioned by the BTA, says Britain has the highest rate of VAT for tourism services of any country in Europe, apart from Denmark. The culture department, with responsibility for tourism, said little evidence existed to suggest people decided where to holiday on the basis of local tax rates. George Parker, London

#### **EUROPEAN UNION**

#### Ex-minister calls for pride



minister in John Major's Conservative government, yesterday reopened the opposition Conservative party's debate on Europe, by arguing for Britain to be proud of its place at the outer rim of a centralised European Union, Mr Por tillo, a strong Eurosceptic and a valued adviser to William Hague, Mr Major's successor as party leader, said Britain admit it does not share the same view of Europe as some other EU states. "Britain could have real influence if it were willing to lead, not by limply

Michael Portillo, chief defence

falling in line with things it thought harmful or anachronistic, but by staying outside some of these arrangements," he said in a lecture to young business leaders. Mr Portillo, a staunch opponent of the single currency and further EU integration, said Britain had in mind "a completely different destination" for Europe.

 The Conservatives yesterday launched their local election campaign hoping to end a decade of decline in municipal authorities. Lord Parkinson, party chairman, said it had transformed its approach to local government, which was often treated with disdain by the party hierarchy. George Parker

#### NORTHERN IRELAND

Mr Sandler told hundreds

# Minister calls for job package to bolster peace

settlement should be underpackage of measures to boost the region's underper- cellor. forming economy, Gordon

Brown, the UK chancellor of omy has long lagged behind forming economy, Gordon

element will be incentives port for the settlement. for long-term investment.

UK officials said the Trea- the pro-British Ulster Union-

unable to say what the total cost would be. Geoffrey Rob-Northern Ireland's peace inson, a junior Treasury minister, will visit Northern pinned by an ambitious Ireland for discussions next week, followed by the chan-

the exchequer, will tell an that of the rest of the UK. It audience in New York today. has high unemployment and Speaking at the Federal low income per head. Offi-Reserve, Mr Brown will cials hope that the prospect announce that the package of sustained peace will boost should focus on job creation the region's attractiveness and be based on the modern- as a place to do business. isation and regeneration of while further economic help the local economy. The main might cament popular sup-David Trimble, leader of

saying the agreement was ing Ulster Unionist council, accord. On Wednesday, the In a clear gesture to supgood deal for unionism and a which votes on Saturday. bad deal for republicanism.

Gerry Adams (for right) smiles alongside Billy Hutchinson, a talks delegate for the Progressive Unionist party, political wing of the outlawed Uister Volunteer Force. As a UVF member, Mr Hutchinson served a prison term for murdering a Roman Catholic. No Mowia

chief Northern Ireland minister in the UK government, and Tony Worthington, education minister, also joined the walkabout yesterday

sury was already working on ists, hit back at his critics, backing of the 800-strong rul- referendum to ratify the of the region.

Protestant Orange Order -"Yes, there are worries on which sends 85 delegates to Trimble said support for his Trimble told a news confer- force as one of its main misstance was growing. He pre- ence to launch his campaign givings and said it could not dicted he would secure the for a Yes vote in the May 22 recommend it to the people

- all of whom voiced their

port Mr Trimble, Tony Blair, John Murray Brown writes. policing and prisoners. But the UUP council but has insisted there was no ques-Rejecting point by point rather than letting those much wider influence – tion of disbanding the force. the claims of the hardline worries mesmerise us we cited the proposed reform to Mr Trimble said adjustments. Democratic Unionists, Mr will get them sorted out, Mr the Northern Ireland police to the police force were to the police force were inevitable if terrorism ended and the region returned to normal peace-

release of nine IRA immates Féin is potentially vulnera-

# Sinn Féin sees party unity as its imperative

Members want to know if the deal can deliver on policing and other reforms, say candidates in the new John Murray Brown and Jimmy Burns assembly, where the main has already stressed that the support for the Sinn Féin 32-county Sovereignty

Sinn Féin, which takes meeting in Belfast on Saturbe, its time on most day.

The seven-man army countries in things, is unlikely to be its time on most day.

The Andersonstown News, can point to real gains – the cramp. Equally critically, the things, is unlikely to be the into a decision on cil of the IRA would also opinion in the republican release of prisoners being a sinn Féin on arms "decommitments required from release of prisoners being a sinn Féin on arms "decommitments" remain vague.

Republican Army, is cess made a point of involv-unlikely to take a vote on ing as many party activists another 30 years of pointless the issue at Saturday's as possible – even rotating warfare.

involved in the deal until it party's peace strategy, to every part of the deal."
has seen how the pro-British repudiate a document he has. She says that ordinary Ulster Unionist party fares himself negotiated. If the party members will want to ership." at its crucial ruling council party rejects the deal, it will know whether the agree-

annual conference. It will his negotiating team to max-

the party's strategy.

certainly make it harder for ment can deliver on policing already announced the Sinn Fein to win votes for its and other reforms.

last week's historic Northern
Ireland peace agreement.

Pat Doherty, Sinn Fein Fein puts it to the party

Pat Doherty, Confirmed rank and file Gerry Adams, now available. These words yesterday that the party, the "Sinn Fein president, has should not be lightly dispolitical wing of the Irish throughout the peace pro- missed by anyone who

Sinn Fein, like all the permeet again relatively soon imise the consensus behind ties, has misgivings. Rita O'Hare, a Sinn Féin execu-The delay probably makes The imperative is to avoid tive member and a former sense tactically.

a split and maintain party editor of An PhoblachtSinn Féin, the political unity.

Sinn Republican But many officials believe ty's newspaper, says: "I employed to the compromises Adams, as architect of the party which has embraced to the deal unity.

Adams, as architect of the party which has embraced the Blair government has Ms O'Hare insists: "it's not a live length of Northern Ireland and the proposals to scan and Rehabilitation of Offenders, says: "The guarantees on political prisoners that claim to Northern Ireland and the proposals to scan and Rehabilitation of Offenders, says: "The guarantees of the blair government has the Blair government has Ms O'Hare insists: "it's not a

The Sinn Féin leadership political battleground will political settlement is a tranpolitical battleground will political settlement is a tran-be. sitional arrangement. But it bolster the republican lead-The Andersonstown News, can point to real gains – the ership. Equally critically, the talks and is linked to recent

has the right to change that'

'It is not a territorial claim. Ireland is Ireland and no government

republican communities. Sinn Féin has more prob-Brian Gormally, deputy lems over the question of the director of the Northern sovereignty of Northern agreed to are an absolute ace card for the Sinn Fein lead-The hish government has

territorial claim. Ireland is Ireland and no government has the right to change

"As republicans, the only majority we recognise is the

homb attacks in Northern With dissidents on the sidelines, Sinn Féin can be expected to resist unionist calls to accept the consent principle - that any change in the status of Northern Ireland can come about only with the approval of the majority of population of Northern Ireland's six coun-

majority of the people of the 32 counties, said Mr Doherty, referring to the whole island. Before last week's historic accord, Sinn Péin offices on both sides of the border were distributing posters calling for support for articles 2 and

### ASYLUM SEEKERS MINISTER ADMITS SYSTEM FOR DETAINING GROWING NUMBER OF IMMIGRANTS IS A 'MESS'

# New rules urged for detention centres

to introduce statutory regul-ations to control the man-agement of immigration the absence of enforceable which currently hold only 1 which has been reviewed to introduce statutory regul-terday. It concluded: "it is seekers liable for detention. Mr O'Brien well-the absence of enforceable which has been reviewed to those asylum the absence of enforceable which has been reviewed to the control the man-agement of immigration the absence of enforceable which has been reviewed to the control the man-agement of immigration the absence of enforceable which has been reviewed to the control the man-agement of immigration the absence of enforceable which has been reviewed to the control the man-agement of immigration the absence of enforceable which has been reviewed to the control the man-agement of immigration the absence of enforceable where the control the man-British ministers are poised agement of interest which rules of conduct governing tem should be backed by report", claiming it was a near vesterday officially the behaviour of detainees detailed rules and reguldefeat for those who oppose

gration minister, accepted currently constituted are detainees, their rights, paryesterday that the rapid rise unsafe for detainees". seekers in the UK - up from Ramsbotham, the chief responsibilities as members 2,000 in the mid 1980s to inspector of prisons, said the system was "overloaded", He tion," Sir David said. in the number of asylum

whole system in a "mess". A report into the Camps-

The report by Sir. David

The group is taking its cinema concept to

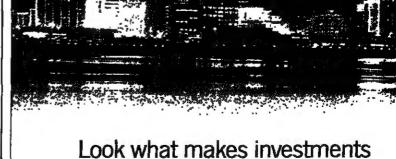
the US and Japan after rejecting

were yesterday officially the behaviour of detainees detailed rules and regulcondemned as "unsafe". and staff which convinces us ations". "These should detaining asylum seekers,
Mike O'Brien, the immithat detention centres as explain what is expected of arguing that "detention is a

what he called a "tough regrettable necessity". He vened the European Conven-

recommended a significant Virtually all his 98 sweep- "The lack of effective control increase in the places avail- ing recommendations were or a clear obligation on field centre in southern able in specialised centres, accepted by the government, detainees to accept responsi-England, scene of riots last which currently hold only 1 which has been reviewing bility for their behaviour needs to be addressed."

Sir David praised Group 4 Total Securities, the company that runs Campsfield House, for "doing a good job in difficult circumstances". knock-on effect between govticularly with regard to due rejected the suggestion that ernmental policy and its exprocess of law, and their government policy contracultoo by the Immigration Service, which includes direction to firms contracted However, he admitted: to run individual centres."



and businesses tick in

# Bahrain

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ness three years ago.

Its progress in some other

The year is progress in some other clients was then one of turnover. new areas, notably vodka the most promising areas of ... Virgin has yet to publish new areas, notably vousa the leisure sector. Admissits financial results for last emas has benefited from last rocky, but so far its foray sions had doubled since 1965 year, but Mr Burke says the year's upturn - largely reduced debt enabled the library of the first IIS-style multiple and the first IIS-style multiple are below the first IIS-style multiple and the leisure sector. rocky, but so iar as lordy when the first US-style multiple reduced debt enabled the thanks to The Full Monty unto cinema has done well tiplex opened in England. cinema division to go into and Tomorrow Never Dies -We have seen most successful as a brand when Virgin But by 1995 the UK market, the black. Selling the and its innovations have has gone into industries that was still underdeveloped smaller theatres has also

Healthy projections for Virgin's screens

are a bit tired, and low on compared with the US. innovation," says Simon
Burke, chief executive of sition mostly with debt and Virgin financed the acquistrategic move. Many have is that competition to secure to open initial chains of six

Virgin Entertainment. "Air-the interest payments nearby multiplenes."

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the interest payments nearby multiplenes. red in 1995 and 1996. During invested heavily in refur- has been extended and the thing that works in one Mr Branson orchestrated cinemas in 1996, Virgin paid building new ones, it was sites overseas.

Virgin's arrival in the cinemas in 1996, Virgin paid building new ones, it was sites overseas.

S.55m in interest and made contractually obliged to drop

The group is now ones, it was sites overseas.

Virgin raised £59m that it rebranded the chain.

year by selling the 98 But most of the cinemas smaller theatres to ABC Cin- were so dilapidated that they European targets, says Alice Rawsthorn emas, a management fell well below Virgin's aspiichard Branson's Virgin

Group has opened six

The UK's biggest circuit, in multiplexes since divermal bids from Bank and the work left is mild of £12.66m for buy-out team, leaving it with rations for its brand, threatsifying into the cinema busi- rival bids from Rank and the year left it with a pre-tax we should have waited lonloss of £4.74m on £84.38m ger before we introduced

Mr Burke says Virgin Cin-

Virgin's principal problem up to \$30m in each country been badly affected by new multiplex sites has cinemas. "It's typical Richproved flarcer than expected. and Branson thinking," he Meanwhile, Virgin has its timetable of UK openings

The group has rejected

concept to the US and Japan.

says. "If Virgin has some-

Mr Burke expects to spend

ema market in characteristic and selected audacious fashion. Virginia and spain the MCM name shortly after Germany, France and Spain the 1995 acquisition when

gin bought the 116-strong turnover of £49.51m.

ness three years ago.

another."

Another in 1998 Weeks it owned the bishing old cinemas and group is now looking for country, he can't see why we be in 1998 Virgin paid building new owner it was been extended and the thing that works in one the country, he can't see why we

SPACE MICROGRAVITY

# The mission to break down nerves

Nasa's latest shuttle flight will study the effect of gravity on the nervous system, writes Miranda Eadie

Nasa's space shuttle Nasa s space Columbia was due to blast off yesterday from Cape Canaveral for a 16-day mission dedicated to the study of the nervous system and the role it plays in controlling blood pressure. maintaining balance, coordinating movements and which are disrupted during

An orbiting spacecraft provides unique conditions for conducting this research. On earth, all life evolves, develops and functions under the influence of the planet's gravitational field. It is only through removing this variable that its influence can be determined. Since it is impossible to do this on earth, experiments that aim to discover gravity's role need to be carried out in the microgravity (very low grav-

ity) environment of space. Information acquired by carefully monitoring physic logical changes that occur during space flight will lead to increased biomedical knowledge. That knowledge can be used to counteract the negative effects of space

It may also be applied on earth in the treatment of disorders related to the nervous system, such as insomnia, motion sickness and Parkin-

"Once the workings of a system have been understood, therapeutic means of counteracting disorders of this system can then be found," says Benny Elmann-Larsen, senior physiologist at the European Space

tional partners involved in the Neurolab mission.

For example, when astronauts return to earth after a space mission, they suffer from dizziness and fainting, similar to feelings encountered by elderly people who stand up too quickly after waking up. This problem, known as orthostatic intolerance, is caused by a lack of blood reaching the brain.

On earth the head is above the heart and the cardiovascular system has to work against gravity to maintain blood flow to the brain. In space, however, the heart no longer has to pump against the force of gravity. As a result, changes take place in the blood pressure control system that mean that astronauts suffer from orthostatic intolerance when they return to earth.

The study of all aspects of these changes - including whether the blood pressure sensors in the cardiovascular system are working properly, or if adequate mes are being sent to the heart from the brain - will enhance understanding of the problem.

The 50,000 Americans with orthostatic intolerance

Experiments will investigate if

there are changes in the brain that regulate sleep

outcome of this mission," says David Robertson, director of the Chemical Research Centre at Vanderbilt Univer-

sity, Nashville. "Results from the experiments will help define the nature of the disorder and



Having a balt Jim Pawelczyk, psyload specialist, plays catch as part of an experiment

will yield to therapeutic intervention."

Similarly, in space, astro-nauts suffer from sleeping difficulties. A number of factors could contribute to this such as launch and mission work schedules, the physiclogical effects of weightless-ness, and the loss of a natural 24-hour light-dark cycle (an orbiting spacecraft circumnavigates the earth once every 90 minutes which means there are 16 sunrises every 24 hours).

Experiments carried out during the flight will attempt to clarify which factors influence sleep. In particular, they will investigate if there are changes in the brain that regulate sleep and if there is a relationship between the microgravityinduced changes in respiration and sleep.

Tests will also be made to mone secreted by the body for the effect of microgravity

at night - is effective as a hypnotic aid to sleep. "As we seek a solution to

the problems of sleep experienced by astronauts in space flight, we face the exciting prospect of also benefiting groups of people everywhere



see if melatonin - a hor- Snaks in space will be studied

with a high prevalence of workers and the elderly, says Charles Czeisler, a sleep specialist at Brigham and Women's Hospital, Boston.

Experiments to be carried out with rats during the flight will investigate whether gravity is necessary for normal development of the nervous system, and if so, whether there are "critical periods" during which it must be present for faculties such as motor skills to develop properly. Understanding the nature

of these critical periods is important in paediatrics. For example, knowledge of the critical period for developing normal vision has changed how "lazy eye" is treated in children. Further experiments on

the mission will expand this knowledge to the control of movement, regulation of blood pressure and mainte-nance of balance.

**HEALTH PHARMACEUTICALS** 

# Spawning a painkiller

Richard Cannell on how a poisonous frog may help millions of sufferers

lives of millions of people around the world suffering from acute and chronic pain.

Its skin contains a compound that acts as a painkiller more than 200 times more powerful than mor-

The compound is the basis of a new drug being developed by Abbott Laboratories, the US pharmaceutical company, which hopes it will have all the benefits - and more - of morphine, without its main drawbacks such as dependence, respiratory depression and sedation.

The chemical was first isolated in 1976 by John Daly, a chemist at the Marylandhased National Institute of Diabetes and Digestive and Kidney Diseases. He has spent the past 30 years investigating the chemicals that give the skins of many amphibians their poisonous reputation.

After noticing that the compound caused the same sort of responses in mice as did morphine, he discovered its potent analgesic properties. He named this compound epibatidine in honour of the frog from which it came, Epipedobates tricolor.

A small, brightly not know what the com-coloured tree frog pound was – and to find out from the forests of required more compound. Ecuador may improve the But the frog was a protected species and could not be collected, and to add to the difficulty, frogs reared in the laboratory did not contain

the chemical in their skin. So the sample was put to one side. A decade later, technology had advanced and it was possible to obtain the chemical structure from Dr Daly's original material, it was then found that this compound bore some struc-

tural similarity to nicotine. Researchers at Abbott were looking at compounds of this type, that act on the same receptors in the cell as nicotine, with a view to finding drugs to treat Alzheim-

Chemists synthesised epibatidine and played around with its structure; they made a range of modifications and eventually came up with ABT594, which still acts as a powerful painkiller but lacks epibatidine's additional toxic properties. Moreover, because it acts by a completely different mechanism, it should also be free of

morphine's side-effects.

If a frog seems an unlikely place to look for new drugs. it is worth remembering that the pharmacological properties of such animals have

long been appreciated by many groups of people worldwide Any self-respecting witch's potion contains something akin to "eye of newt and toe of frog" - and not without reason.

Indians of South and Central America use toad and frog poisons to make poisonarrows for hunting. The frog benefits by making itself unpalatable to predators. and often tends to produce the toxic skin secretion when under direct threat or attack. Sometimes, frogs caught in the forest are kept captive until hunting time and then impaled with a stick down their throat and out of one of the legs to cause them to secrete the loading for the arrows.

Frogs raised in the laboratory cannot be induced to produce epibatidine, and frogs of the same species but from different locations may produce different chemicals, suggesting that the frogs do not make the compound but rather obtain it from particular insects or microbes that they eat or which live in close association with them.

There are an estimated 30m-40m people in the US alone with moderate to severe pain that cannot be dealt with by painkillers such as paracetamol. If this drug comes through clinical trials, many of these may come to thank a small tree frog in a faraway place.



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#### THE PROPERTY MARKET

### BARCLAYS

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In accordance with the terms and conditions of the above certificates (the "Certificates"), notice is hereby given that Investment Property Databank Limited has certified that the Forecast Annual Index Income Return for 1998 is 7.1%.

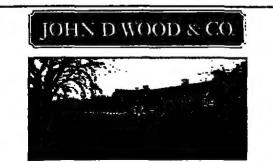
The Interest Payment for 1998 payable on 15th April, 15th July and 15th October 1998 and on 15th January 1999 in respect of each £100 in nominal amount of the 1998. Certificates is £1.91

The Adjustment for 1997 in respect of each £100 in nominal amount of the 1997 and 1998 Certificates is minus (0) 05.

An Initial Redemption Amount of LY7 07 in respect of each £100 in normal amount of the 1997 Certificates was paid on 16th February 1998. The Final Redemption Amount of £13.04 at respect of each £100 in nominal amount of the 1997 Certificates will be raid on 15th April 1998. This takes into account the Adjustment for 1997 referred to above

The Annual Capital Growth Index for 1997 was 169,18833 and the recalculated Annual Capital Growth Index for 1996 was 155,25076. The Income Return for 1997 was ".83".. The Annual Index for 199" was 509,57986.

> **Barclays Global Investors Limited** Calculation Agent



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The Romanian Post Office Privatization Project Consultancy Services for Corporatization and

Specific Procurement Notice

Preparation for Privatization (Stage One)

- 1. This invitation for bids follows the general procurement notice for this project that appeared in the Financial Times, issue no. D8523A of April 9th, 1998, and in the International Herald Tribune, issue no. 35801 of April 9th, 1998.
- 2. The Ministry of Communications (MOC) of the Government of Romania and the Romanian Post Office (RPO) have decided to implement the strategy for restructuring of the postal services sector through the Romanian Post Office Privatization Project (the Project). The Project is phased in two stages, as follows:

Stage One: Corporatization and Preparation for Privatization of RPO; Stage Two: Privatization of RPO by Initial Public Offer (IPO).

- 3. The MOC and RPO now intend to hire Consultants for Stage One: Corporatization and Preparation for Privatization of RPO, and invite sealed bids from eligible bidders for:
  - Financial Audits according to the Romanian Accounting Standards and International Accounting Standards, and RPO Financial Forecast;
- Assistance for the transformation of RPO from its present status as a Regie Autonome to a joint stock company;
- Development of Financial Management Action Plan for RPO;
- Business Advisory Services (to forecast potential business and services, etc);
- Preparation of Stage Two Term Sheet.
- 4. The Stage Two of the Project will be scheduled upon the completion of the Stage One. The key objectives of Consultancy Services for Stage Two (Privatization of RPO by IPO) will comprise the development of a valuation of the company and a sale strategy, and sale of RPO's shares.
- Bidding will be conducted through an international competitive bidding procedure, according to Romanian legislation. Interested eligible bidders may obtain further information from the RPO at the address given below from 10.00 to 16.00 hours, local time, Monday to Friday.
- During the period April 21st-30th 1998, from 10.00 to 16.00 hours, local time, a complete set of bidding documents in English may be purchased by interested bidders on the submission of a written application to the address below and upon payment of a nonrefundable fee of US\$1,500. The method of payment will be direct deposit to the RPO account no. 25.110.090.090777.300.00.9 BANCOREX, Victoria Branch, 155 Calea Victorici Av., 70012 Bucharest, Romania. The documents will be sent by international courier or handed to an authorized local representative presenting a proper power of attorney.
- Bids must be delivered to the address below at or before 12.00 hours, local time, June 5th, 1998. All Stage One bids must be accompanied by a bid security of US\$50,000. Late bids will be rejected. Bids will be opened in the presence of the bidders' representatives who choose to attend at the address below at 12.00 hours local time on June 15th, 1998.

14 Libertanii Avenue. 70106 Bucharest 5, Romania Attn: Mr. Gabriel Mateescu Phone: +40 1 400 1102 Fax: +40 1 400 1515

野田 - かはまる中ではない。

Ulica grada Vukovara 37, 10000 Zagreb, Croatia

Hrvatska elektroprivreda d.d. issues this

for turnkey construction and financing of HPP Leite in Croatia

2. The subject of the public tendering is construction on number basis of hydroelectric power plant Leikie

The scope of this markey project cevers design, project management, civil works, procurement manufacture, supply, delivery, erection, testing and commissioning of the plant, equipment and facilities

The objective of this stage of the tendering process is a selection of capable and samable bidders, with a

5. The tendering process is open to all eligible bidders, as ampulated under Article 6 of the Law, regardless

refundable fee of DM 1,500.00 to the foreign currency account No. 7001-280-3557049 of Hrvatska

elektroprivreda d.d. at Zagrebačka binka d.d. Zagreb.

7. Bids must be delivered to the address of Hrvatska elektroprivreda d.d., Ulica grada Vakovara 37, 10000

S. Only those bids shall be taken imo consideration which cover complete works and which are in full

conformity with the Bidding documents.

9. The bids shall be valid for 150 days after Bid opening and must be accompanied by a bid security in the

10. The bids will be opened, in the presence of the authorised Bidder's representatives who choose to

Roms Duernile S.p.A., in the name of and on behalf of F.S. S.p.A., hereby anniounces a public competition for the

Roms Duernita S.p.A., in the name of and on behalf of F.S. S.p.A., hereby announces a public competition for the asserts and selection of individual persons and/or Associations-between passons, interested in the acquisition of ownership of the area situated in ROME - STAZIONE S. PIETRO, for a lotal of approx. 7.625 sc.m., 400 sc.m. of ownership of the area situated in the NST map 430 percel numbers 121 pert, 367, 11a, 135 and 385. On the said area the service equipment must be realised, as foresean in the "Pien of Order" according to the "Programme and area the service equipment must be realised, as foresean in the "Pien of Order" according to the "Programme Agreement" of 1.08.97 and as resulting from the "Services Conference" as per art. 4 of Isafan Law 38640.

Agreement" of 1.08.97 and as resulting from the "Services Conference" as per art. 4 of Isafan Law 38640.

The total realisable volume of the area, object of the present call for bids, is equal to 50,876 c.m., corresponding to a gross surface area of 14,200 aq.m. realisable for new interventions, divided as follows:

2,500 sq.m. for commencial and personalist.

915 sq.m. for arisen activities to be relocated.

915 sq.m. for arisen activities to be relocated.

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Furthermore, the registation or 8,000 sq.m. or permising uncongruence parting spaces and a maximum of 15,000 sq.m. Underground periods, substitute for readside parking, is foreseen.

The actual execution of the operations is subject to advanced approval of the final project, in the process of being finalled, by the competent Bodies and, in particular, by the above mentioned "Services Conference" ex art. 4 of finalled, by the competent Bodies and, in particular, by the above mentioned "Services Conference" ex art. 4 of finalled.

Law 396/90.

To be admitted to this qualification phase, the Interested parties, either singly or in association, must prove to have, directly or indirectly, adequate economic/finencial, entrepreneurial, practical and management capabilities and must have experience predominantly in the realisation and management of recreative, cultural and particip, structures such to guarantee the experience in the realisation and management of recreative, cultural and particip, structures such to guarantee the experience in the realisation and management of recreative, cultural and particip structures such to guarantee the experience in the realisation and management of the operations for the complete call for tide, no later than 15.05.90 of the in itsian and with all the documentation requested in the complete call for tide, no later than 15.05.90 of the initialization and with all the documentation requested in the complete call for tide, no later than 15.05.90 of the initialization and with all the documentation of the participant of the complete call for tide, no later than 15.05.90 of the initialization and with all the documentation requested in the complete call for tide, no later than 15.05.90 of the initialization and with all the documentation of the participant and the

11. In comparison and evaluation of the Bids the Employer will apply a margin of domestic prefere

eros was no openion at the patient on July 16, 1998 in Bryanke elektroprivreda d.d., Ulica grada

**GRUPPO FS** 

view of continuing tendering process with selected eligible bidders at a later stage until final selection of

of Lexce hydroelectric power plant, as described and specified in the Bidding docum

of their place of business activity or registration.

elektroprivreda d.d. at Zagrebačka bimka d.d. Zagreb.

conformity with the Bidding documents.

Vulkovara 37, 10000 Zagrob, room No. 122.

accordance with Article 8 of the Law.

5,500 sq.m. for reception activities; 3,285 sq.m. for cultural activities;

2,000 sq.m. for general services;

Zagreb, not later than 10.00 a.m. local time on July 16, 1998.

ROMA DUENILA SPÁ

IN THE NAME OF AND ON BEHALF OF FERROVIE DELLO STATO

SOCIETA' DI TRASPORTI E SERVIZI PER AZIONI

EXTRACT OF CALL FOR BIDS

2,500 sq.m. for commercial and para-commercial activities;

amount of DM 1,000,000 (one million DM) or its equivalent in Croatian kuns.

on GojaSta Dobra River in Republic of Croatia, of installed capacity of 42,29 MW, including financing

INVITATION TO BID

The Employer is Hrvatska elektroprivreda d.d., Ulica grada Vukovara 37, 10000 Zagreb, Crostia.

HRVATSKA ELEKTROPRIVREDA d.d.

Romanian Post Office.

### LEGAL

NOTICES

IN THE MATTER OF P.B.A. (OVERSEAS) LIMITED

ond-IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113 Notice is heaty given that the creditors of the above-casting group has the tectories to her above-casting company which is being volumely would up are required on or below the 16th day of him 1996 to send to their fall names, their addresses and descriptions, full pericolous of their debts or claims and the

and address of this solicion (6 mg) to the underlyced for Dinas N Psychopoles. PCA of Coopers & Lybrand, Julia House, 3 Th Devis States, PO Box 1612, CY-1991 Niconia, Cyprus, the Remidster of the said company, and if so required by series in writing from the said figuidance, to come in and ove their mid debts or claims at such time and place as shall be specified in such no are in default special dusy will be exclu-from the beacht of any distribution as

Dated this 17th day of April 1998 Dinos N Papadopoulos, Coopers & Lytrani Ligaldesor

IN THE MATTER OF INTRAFOREX LIMITED

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3 In Davis Stees, PO-Best 1642. CV-1591 Nicosia. Cypus, the liquidator of the said occupanty, and if no required by notice as white from the naid fiquidator, to store in and pure that raid debts or doinn at such time and place as shall be specified in such poles, or in default thereof they will be excluded from the benefit of my distribution made before such debts are proved.

Dated this 17th day of April 1996 Disse N Papadopositus, Coopers & Lyteres

IN THE MATTER OF ABY CONSTRUCTION LIMITED IN THE MACTER OF THE

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Noise is beeby given that the credition of the above-named company which is being vulnerably women up an explication or before the 16th day of May 1998 to send in their full mes and descriptions, ful names, facts addresses and descriptions, that particulars of their data or claims and the names and addresses of their address (if my) to the notional good left Diseas IV Psychopaulos, PCA of Cooper de Lybound, Julia Bossec, 3 Th Durvis, Sinest, PO Stee 1612, CY-1391 Nicosia, Cypous, the Hipsticiars of the said company, and if so required by spoice in welding from the self Espatians, to ottop in and min. Address the shell Espatians, to ottop in and min. Address the shell Espatians, to ottop in and purio fluir sald debte or chains at such item and place as shot be specified in such point or in default themself day will be included then the benefit of any dispripation mad-before much debte amparent. Dated this 17th day of April 1998

Dista N Papalapada, Casper & Lybrard

Republic of Turkey

Prime Ministry - Undersecretariat of Customs Public Finance Management Project (PFMP) - Customs Modernisation

Invitation for Bids for a Turnkey Electronic Data Interchange (EDI)

- The Republic of Turkey has received a loan from the laternational Bank for Reconstruction and Development (the World Bank) in US dollars towards the cost of the Customs Modernization component of the Public Funational Management Project (FFMP). It is intended that part of the process of this loan will be applied to eligible payments under a contract for Electronic Data Interchange (EDI).
- The Customs Underscenturiat of the Prime Ministry is the Executive Agency of the Customs Modernization component of the Public Financial Management Project, and hereafter is referred to as 'the Purchaser'. The Purchaser now invites sealed bids from eligible biddent for the development, supply, installation, implementation and support of an EDI Solution comprising mostly of software components, networking, installation and training plus some limited bardware. The Purchaser requires a turnlety EDI solution (either packaged, custom developed or a combination of the two approaches) that has the following components:
- Costoms EDI Gateway for the initial receipt of EDIFACT messages sent to Contoms by traders. It must be able to reject and generate an EDI response to any messages that fails first-line validation and forward validated messages via the internal Costoms network to the applicable production site. Conversely, the gateway must be able to receive and forward EDI responses originating from Customs production sites to the applicable recipient. Hardware to host a single gateway is required, plus all installation, training and networking requirements.
- requirements.

  Castoms EDI Translator & Interpreter a facility to interpret EDI-ACT messages into a format that can be processed by the Purchaser's system. Conversely, responses generated by the Purchaser's system must be interpreted and converted into EDI responses and transmined back to the ultimate recipient via the gainway. The purchaser perfect that the Galeway and Customs EDI Translator & Interpreter are two separate and independent applications, with the translator installed and operational on each production server. However, a solution that centralizes and combines the gainway and the translator on a single platform will be considered.
- will be considered.

  Traders EDI Package a facility for traders who do not wish to undertake major enhancements to make their own systems EDI capable. The package would control EDIFACT transmissions to and from a Customs EDI Gateway, translate messages and map them into a format compatible with the trader's existing applications and conversely map data from the trader's system for conversion into outbound EDIFACT messages. The Purchaser will pay for the development/adaptation of this software, with the Supplier selling the package directly to interested traders at a preagreed price.
- Customs Website for Electronic Commerce to accommodate small traders or those with limited IT capabilities or resources. Web client applications are needed to emulate the Purchaser's production system dam-entry programs for he input of manifest or declaration data via the internet. After input and validation, the details should be converted to an EDIPACT format and transmitted via the gateway for onforwarding to the ultimate production site. An electronic mailbox facility for the storage of interpreted EDIPACT response is needed, plus a method for the responses to be viewed or forwarded via e-mail. Suitable hardware is also required to house the website.
- Interested eligible bidders may obtain further information from and inspect the Bidding Documents at the office of the Purchaser as follows:

- Fax: +90-312-306-8535

  A complete set of Bidding Documents may be purchased by interested bidders by submission of a written apolication to the address above and upon payment of a non-refundable fee of USS100 (One Hundred US Dollars or the equivalent in Turkish Lira converted at the official Central Bank exchange rate on the date of payment). Payment may be made by deposit or wire-transfer to Account Number 350-101-106 (Accounting Directorate of the Prime Ministry) at the Ankara Branch of the Central Bank of the Republic of Turkey. Upon proof of payment (a copy of the Central Bank deposit receipt or verification of the wire-transfer of the funds), the Customs Undersceretariat will promptly dispatch the documents by courier, but under no circumstances will it be held responsible for the late delivery or loss of the documents so dispatched.
- The provisions in the Instructions to Bidders and in the General Conditions of Contract are the provisions of the World Bank Standard Bidding Documents: Procurement of Information Systems, International Competitive Bidding.
- Bids must be delivered on or before 14:00 hours Ankara time on Tuesday June 2, 18% to the address above and will be opened in public immediately thereafter in the presence of the representatives of Bidders who choose to altend at the above address.
- All bids must be accompanied by a Bid Security of not less than three (3) percent of the Bid Amount in the form of a bank guarantee issued by a reputable bank selected by the Bidder or Treasury Bonds issued by the Republic of Turkey.
- Please note that the Purchaser is not bound by the provisions of Turkish National Bidding Law No. 2886.

**BUSINESSES FOR SALE** 

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For further details please contact the Joint

Administrative Receiver, Andrew Conquest, Grant Thornton, Orown House, Orown St.

Tel: 01473 221491.

Fax: 01473 286206.

Web Site: http://www.grant-thornton.co.uk

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OPPORTUNITY TO TENDER

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The Centre will be a local point for the training and devel widing opportunities for those wishing to enter the industry and to provide illies for compunies wishing to develop the skills of their workforces.

with the company to operate the Training Centre, including the delivery of the company's Business Plan and developing inflatives to further improve the skills of

Should you wish to consider tendering, please write or lax for tender details to: Lye Woth at Count Training and Enterprise Countil, Glymbur Musse, Cloppe Park, Newport, NPO 1YE

Fac: 01633 810900 by latest 5.00 pm on 24 April 1998. Full landers will be required by 8/5/98.

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£4,750,000 FREEHOLD

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RICHARD DONKIN

# The rhythm of work

Emancipating work will help employees produce results that make a difference

Henry Noll was a remarkable worker. He could single-handedly load 45 tons of pig iron on to rall trucks in a 10-hour shift at the Bethlehem Iron Company in Pennsylvania. We know this because his efforts were timed to the second by Frederick Wynslow Taylor, the man whose experiments have become stamped upon the working practices of the 20th century.

In soviet Russia, Noll would have been a hero of the revolution, his exploits féted as an example to workers everywhere. He was no less a hero to Taylor, but his fellow workers viewed him differently. None but Noll could keep up sufficiently to carn performance rates based on exceptional output set by a team working flat out for

one day at Taylor's urging. But Taylor used the example of Noll to illustrate the effectiveness of his approach. With the addition motion studies, ploneered by Frank and Lillian Gilbreth, and the moving assembly line, industrial engineering just before the

first world war found it had processes capable of mass production on a scale that had not been possible before No wonder the emerging ideologies of Marxism under Lenin and Fascism under

Mussolini warmed to its possibilities. Lenin and Tratsky worked to introduce Taylor's scientific management into the soviet system, overlooking Lenin's criticism that it involved the enslavement of humankind to the machine".

Neither system, however, was able to harness its potential so successfully as those who practised capitalism. As we approach the end of the century we might reflect that a process for the organisation of work can lay claim ultimately to having more influence on the past 100 years than any

mergent ideology. Peter Drucker recognised as much in his 1994 book Post Capitalist Society when he placed Taylor, not Marx. with Darwin and Freud, as the three most important figures to have an impact on modern society. Many socialists were

initially sold on the idea of Taylorism as a way of producing more wealth with ess labour. In fact, in

tandem with technological

advances which had concentrated labour in factories, it generated growth leading to increasing demand for labour. But it also seemed to contribute to the severity of fluctuations in economic cycles. Neither did it do much for job satisfaction. The pride

that went with learning a set

of skills or a craft was

reduced to drudgery by the demand for single, repetitive As Robert Kanigel observes in his biography of Taylor, prior to Taylorism the ordinary worker had become used to "soldiering" the practice of working within himself with occasional spurts of activity when the boss came along.

E.P. Thompson recognised that the same was true of unsupervised work. In Work-Discipline and Industrial Capitalism, he noted that, before the industrial revolution, work was characterised by "alternate bouts of intense labour and idleness. wherever men were in

control of their working lives. This pattern persists among the self-employed artists, small farmers, and perhaps also with students today and provokes the question whether it is not a 'natural' human

work-rhythm." Is the decrease in supervision and the advent of the self-managed worker evidence that greater numbers of employees are within sight of working to their own natural rhythm today? This does not seem to fit with reports that many office workers and managers are working 60-hour weeks and beyond.

Maybe there is a need to invent an antidote to cientific management artistic manag perhaps - dedicated to exploiting the most productive work of individuals.

In his book, The 80/20 Principle, Richard Koch suggests that 20 per cent of our output is responsible for 80 per cent of our production. In other words the other four-fifths of our working time is responsible for just a fifth of what we produce. The idea is based on the 80/20 principle of Italian economist Vilfredo

Pareto, described in 1897. This phenomenon is recognised in business - 30 per cent of a company's products generate 80 per cent of its business. It is also true in other walks of life -20 per cent of criminals account for 80 per cent of crime; 20 per cent of

motorists carge 80 per cent of accidents; and 20 per cent of your clothes are worn 80 per cent of the time.

George Zipf, a Harvard professor of philology, elaborated on Pareto's observations with his Principle of Least Effort. This idea condones the messy desk on the basis that frequency of use draws near to us the things that are used frequently.

Mr Koch, who draws parallels between the 80/20 principle and chaos theory. has used the idea in just about everything he has done, finding that knowing 20 per cent of the course material in detail for his degree enabled him to get 80 per cent of the

His ideas suggest we should make the most of our luck, look for short cuts, be selective rather than exhaustive and, most importantly, calm down and work less while focusing on a few attainable goals rather than spreading our talents

Mr Koch believes it is time to rid ourselves of the Protestant work ethic. "Hard work leads to low returns. Insight and doing what we ourselves want leads to high returns," he writes. His natron saints of productive laziness" are Ronald Reagan who made an effortless progression from B-film actor to darling of the Republican right", and Warren Buffett, whose

investment strategy, which

"borders on lethargy", is to

invest in a small hand-picked portfolio of stocks for the long term.

Mr Koch lists 10 "golden rules" for career success, 20 per cent of which are worth quoting:

 Specialise in a small niche and develop a core Choose a niche you enjoy

at which you can excel. The rest are self-evident. His other wonderful message is that we should give up feeling guilty when we are not working hard. Do the things that you like doing and make them your

job, he says. So as we approach the end of the century with the shadow of Taylorism still visible in so many forms of work and with no prospect of any ideology replacing or improving the capitalist system, we might yet hope that there is a better way to work and live our

As the working day becomes increasingly bogge down by the new ications such as e-mails, it is easy to find your work agenda dictated by the demands of other people. We need to salvage our natural rhythm and emancipate our work so that it is directed to producing results that are going to

The One Bést Way by Robert Kanigel, Viking, \$31.95. The 20/20 Principle, Nicholas

Brealey, £9.99.

make a difference



#### Staff retention and recruitment highlighted in surveys

Staff retention is becoming a growing issue for many companies, according to two new employer surveys. Reed Personnel Services, the recruitment company. found rising staff turnover rates over the past three year in a third of 419 employers questioned, Watson Wyatt, the employee benefits and human resources consultancy which looked at 650 companies, said half were

staff and three-quarters were having problems attracting people to work for them. The Reed survey found that average staff turnover rates cross all sectors was running at 13 per cent, although in netall it has risen to 26 per

having problems retaining

cent, three times that in manufacturing at 9 per cent. The reasons would seem to be obvious. While any kind of opening may be acceptable when jobs are scarce, as business picks up and companies begin to expand resulting in more vacancies, those who took their job out

of necessity are going to move if it is low paid and offers few prospects. Career progression was

questioned by Reed as the . main reason for people leaving with increasing pay, the second most important reason. This may explain why the most popular response to increasing staff turnover has been to improve training opportunities. After several years of delayering it is interesting to note that another popular remedy has been to increase salary banding or job grading. Roger Dolphin, Watson Wyatt, 44 1926 843100, Katie Nicholson, Read Personnal Sarvices, 44 171 495 3005.

#### Fears over personnel role

An Industrial Society survey of 706 employers has unearthed management fears about the effectiveness of transferring personnel responsibilities to line managers.

While two-thirds of the respondents were giving linemanagers greater responsibility for personnel management - almost nine out of 10 of the employers, for example, now expect line managers to decide who receives training - the research found widespread fears that managers may experience difficulty coping with the added Devotving Personnel to Line Managers, price £55, tel 44 121 410 3000.

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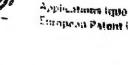
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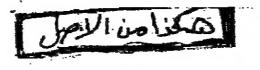
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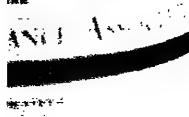
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#### The Candidate

Ideal candidates are expected to working for a pension fund, bank or other institutional owner of real estate or a leading thirdparty property management company or agency company.

You will have at least 10 years related industry experience with at least 3 years in a management role. You will have strong financial and analytical capabilities and have excellent verbal and written English communication skills, Multi-lingual capabilities and work expenence in more than one country are a strong plus.

Interested applicants should apply in writing to Michael Tate, Hays International, 141 Moorgate, Lays International and Moorgate, London ECIM 67X, United Kingdom or alternatively fex on +44 171 588 2329.

Fax No. 0171-256 8501

RECRUITMENT CONSULTANTS GROUP 2 London Wall Buildings, London Wall, London EC2M SPP Tel: 0171-588 3588 or 0171-588 3576

Challenging career development role for a recent graduate with maturity and drive: scope to move into institutional funds marketing in 18-24 months.

### PERFORMANCE/RISK ANALYSIS -GLOBAL INVESTMENT MANAGEMENT

SUISSE | MANAGEMENT

**COMPETITIVE PACKAGE** 

Credit Suisse Asset Management, one of the major asset management groups in the world and continues to expand rapidly. This new position is in the small, highly developed London performance team producing sophisticated investment performance and risk analysis to the highest standard in the industry. The successful applicant will deal with global issues across fixed income, equity and balanced funds, interpreting performance results against market conditions and ensuring consistency in the way this information is used in marketing material. There is scope to develop this valuable and powerful role, where there will be close contact with the fund managers and global marketing. The marketing effort will rely heavily on the ability of this individual to communicate and play a part in both product control and further product development. We seek a graduate with a mathematical/statistical/economics background and I-2 years' experience as a Fund Manager's assistant or other analytical position in the financial sector. A knowledge of major market databases and solid IT skills are required. Applications in strict confidence under reference PRA7217/FT to the Managing Director, CJA.



#### RESEARCH -SYNDICATED FINANCE SENIOR ASSOCIATE/VP

Excellent remuneration package

LONDON

CREDIT SUISSE FIRST BOSTON is a leading global corporate and investment banking firm providing comprehensive financial advisory, capital reising, sales and trading and financial products for users and suppliers of capital around the world. Operating from 50 offices in more than 30 countries, it has over 11,000 employees and is owned by the Zurichbased financial services organisation, the CREONT SUISSE GROUP, one of Europe's largest financial services firms. As a result of expanding business, an exciting new position has been created for a Researcher to join the Syndicate Pinance Group, reporting directly to the Managing Director.

#### The Position

- Build a database in conjunction with the global system being developed.
- Maintain current knowledge of deals in the syndicated finance market.
- Liaise extensively with the origination and distribution beams to help develop and sell
- Develop an extensive network in the marketplace and create marketing materials.
- The Requirements
- At least five years' banking experience, with a knowledge of the syndicated finance market. Experience in credit, securitisation, acquisition,
- ect or high-yield finance would be advantageous. High degree of computer literacy and the ability to use systems to manage market information.
- Degree level preferred (an MBA would be advantageous), and must have outstanding interpersonal skills.

Please send your CV with current salary details to: Sara Kenderdine-Hair, K/F Selection, 252 Regant Street, London W1R 6HL, quoting ref: 01077V/04.

Alternatively send by fax on 0171-312 3380 or by e-mail to kfs-london@kornferry.com

#### K/F SELECTION

A DIVISION OF KORN/FERRY INTERNATIONAL

### The European Patent Office

is an international organisation with 19 member states, its own legal personality and budget, and approximately 4 000 staff.

It invites applications for a ...

### **Principal Director** (Patent Information)

to start work in Vienna on 1 December 1998.

The Principal Director is subordinate to the Vice-President of Directorate-General 5 in the exercise of his management and advisory functions.

He runs the EPO's Vienne sub-office (EPIDOS), and is responsible for coordinating its departments and managing its 100 or so staff.

His duties include liaising with other EPO organisational units to co-ordinate patent Information issues. In consultation with the Vice-President DG 5 ha also represents the Office on such lasues at institutions and bodies inside and outside the European Patent Organisation.

Minimum qualifications:

Candidates should have a diploma of completed studies at university level or equivalent knowledge acquired over many years of professional activity. The ability to manage a large organisational unit, acquired in a responsible position within the national or international public or private sector, is essential. Extensive knowledge and experience of information and documentation, preferably in the patent information field, are also very important.

Candidates must have a thorough knowledge of English and German, and be able to understand French. The EPO offers an attractive salary - subject to an internal tax but not to

national income tax - and generous social benefits, including its own pension

Applications (quoting ref. EXT/796) should reach the President of the European Patent Office, D - 80298 Munich by 18 May 1998.



Central London

The Bank of New York, a major financial institution, has the following appointments in London.

### International Master Costody

**Business Analyst** The provision of investment Accounting and other value added services is a rapidly growing business within the Bank of New York.

We seek an IT professional with at least 5 years' experience to the Intancial sector possessing a sound understanding of investments and the investment traterstarting or investments and the investment process. A good working knowledge of mainframe and network environments, PC applications and ellent/server solutions is required, together with experience in the development and support of

Excellent salaries plus banking benefits

#### European Relationship Management

Legal documentation project work.
 Technology documentation for client foresiletions.

In this role you will:
• Work with chems to determine their needs and

In the first instance, please send your CV detailing your current salary and quoting the reference, to our Consultants, CIRA at 2 London Wall

Buildings, London Wall, London BC2M 5PP who are haz response. Telephone: 0171 588 3588 Faz: 0171 256 8501.

data requirements.

Work with senior management in identifying

finure business goals and developing strategies.
Assist product management in the identification
of marker trends and formulating product responses alternatives, recommend strategies and Present alternatives, recommend staise with local and bead office ser

#### **Securities Processing**

Internal Support Officer For this appointment we require a securities professional with at least two years' experience.
Your responsibilities will include the control and

tion of the following documentation in New accounts and relationships.

You will participate in the preparation of media ion and client RFP's. You will also support the MIS unit in preparation and analysis of revenue and supense data, give on-going technical and administrative support to Relationship Management team leaders lockeding

#### **Currency Overlay**

FX Dealer/Analyst

Our specialist correscy management group, which offers both a currency hedging service and currency as an investment in its own right, requires a rece graduate with an appetlus for responsibility.
You will be highly numerate with an eye for detail. preferably with expertise on Excel and familiarity

with advanced macro construction/Visual Busic. The role will involve

Execution of system-generated foreign Preparation of client reports.

Analysis for research and marketing purposes.

A better place to work

### Structured Finance **Specialists**

The Institution

The mandate of the International Finance Corporation (IFC) is to foster economic growth by promoting private sector investm in its developing member countries.

IFC has formed a Structured Finance Group that focuses on providing long-term funding to developing country borrowers through structured finance, principally asset-back and mortgage-backed, transactions.

IFC is looking for Structured Finance Specialists for its Structured Finance Group to work in developing transaction structures, and modeling and executing securitization

**Qualifications** 

Candidates must have a strong background in finance and proven capability of modeling and structuring asset-securitization transactions Candidates must have at least five years of experience in the asset-backed securities market. Candidates must be innovative, self-starters, with demonstrated leadership and transaction execution skills.

IFC offers challenging opportunities at its Headquarters in Washington, D.C. Salary and benefits are internationally competitive. interested candidates should send a detailed resume, by May 15,1998, to: IFC Recruitment: SFG98

2121 Pennsylvania Avenue, NW Room 11K-294 Washington, DC 20433 No phone calls or faxes, please. International Finance Corporation



Our client, a leading American Investment House, is looking to recruit an Analyst/Modeller for its Relative Value Research Team. This a modelling and quants group responsible for a wide range of fixed income products, and is responsible for marketing its research to both internal/external clients. Based in the front office, this position will involve building complex models in C++ and using these models to generate innovative trade ideas/recommendations. The role will also require

contribution to marketing and sales presentation work. You must possess highly developed quantitative skills backed by an MSc/PhD in Maths, Statistics or related quantitative discipline. You will have an excellent understanding of the bond markets and at least one years experience in a fixed income modelling/quantitative role. Your in depth knowledge of C++ and bond analytics must be complemented by an inventive mind and the

ability to generate and communicate new ideas. As an integral part of this innovative group working to provide a competitive edge to the business, you will have an excellent opportunity to demonstrate and build upon your technical ability within a highly creative environment. Outstanding remuneration and career prospects.

Please send CV or contact Tabassum Ahmad at Rizwan Nash, 21 Ellis Street, London SW1X 9AL Tel: 0171 730 4211 Fax: 0171 730 0611

e-mail: response-rizwan.nash@btinternet.com



Rizwan Nash

# **Appointments Advertising**

appears in the UK edition every Wednesday & Thursday

and in the International edition every Friday.

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Financial Times

RECRUITMENT CONSULTANTS GROUP 2 London Wall Buildings, London Wall, London EC2M SPP Tel; 0171-588 3588 or 0171-588 3576 Fax: 0171-256 8501 Email: ejagroup+entins.rednet.co.uk Opportunity to progress into relationship/sales management role SALES EXECUTIVE INFORMATION PRODUCTS AND ANALYSIS SALES TO THE FINANCIAL SECTOR PACKAGE £27,500-£35,000 CITY OF LONDON FAST EXPANDING SPECIALIST SUBSIDIARY OF MAJOR FINANCIAL PLC

We invite applications from candidates, preferably graduate calibre, who must have had at least 3 year's demanding business to business sales experience within the financial sector. Any year's definitioning product selling will be an added advantage. Reporting to the Commercial Director, you will be responsible for growing personally, the field sales of information products, specifically CD ROM and hardcopy reports and analysis to established clients and new leads within Insurance, Banking and major Corporates in the UK and to a lesser extent overseas. Essential qualities are good presentation skills, a high degree of drive and profit motivation together with the ability to negotiate and close sales at a senior level within a mouvauon together with a remuneration by way of high basic salary and performance competitive niche market, initial remuneration by way of high basic salary and performance related bonus negotiable £27,500 - £35,000, plus benefits. Applications in strict confidence,

under reference SE7185/FT to the Managing Director, CJA.

Discount Brokerage

#### City

Our client is a leading financial services institution with a developing Global franchise in discount brokerage. Currently ranked as one of the world's leading discount brokers with \$22 billion in assets under administration, our client has identified London as a market with exceptional long term growth opportunities. As a result, the need has arisen for a high calibre experienced professional to join the business development team in London.

Reporting to a Director, the successful candidate will be responsible for identifying and targeting local individual and comorate business with the aim of marketing investment opportunities in the North American markets. A self starter, the applicant must be able to build the business from the ground by developing a strategy to meet quantified business objectives and demonstrate the ability to generate, qualify and convert leads into business.

Experience in Canadian, US and UK securities, options, bonds, mutual funds and fixed income products is

#### £ Competitive

essential, coupled with indepth knowledge of taxation issues for the broadest spectrum of retail investors and familiarity with all relevant compliance Issues and regulatory policies. The successful applicant will also possess strong computer literacy and an understanding of computer based customer trading systems commensurate with an institution with a strong technology focus. The ideal candidate will be performing a similar role in another brokerage house with registration in the following: SFA General Securities Represe Canada Securities Course, Conducts and Practices Handbook und NASO Series 7.

If you have the required skills, drive and qualifications, and wish to join an institution with the size, scope, scale and technologies to become a truly global player, then please send your curriculum vitae to Sharon Swift at Michael Page City, 50 Cannon Street, London EC4N 6U quoting reference 413418, tel 0171 269 1820, fax 0171

### Michael Page

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Keeley Pope on 01.71 873 4006

Kart Loynton on 0171 873 3694

Mark Williams 0171 873 4153

### Business Development Manager in Moscow Office



AES Corporation is one of the largest independent power producers in the world with activities in over 35 countries, including ownership interests in 87 power plants totalling 23,000 MW of capacity. AES is a decentralised company bound together by the principles of integrity, fairness, fun and social responsibility by which we try to conduct our business and help different countries to produce clean, reliable and economic electric power. We are currently looking for a Business Development Manager to be based in Moscow to develop opportunities within

Work may include bid preparation, feasibility studies, contract negotiation, fuel procurement analysis, project financing and relationship building. Work will be extremely varied, with plenty of opportunity to take on important responsibilities.

The successful candidate is likely to have a technical first degree and a post graduate business qualification (MBA preferred) with at least three years of working experience, ideally in the energy or power sector. The successful candidate should be a team player, have a high level of interpersonal and presentation skills, analytical ability and numeracy. Fluency in Russian and English is essential. Significant travel with the CIS is likely.

> Interested candidates should fax their CV to Katya Freeson by 30 April on (44)1883 716259 or e-mail kfreeson@aesc.com



### CREDIT TRADING ANALYST

Due to continued expansion, a Credit Trading Analyst is now required - working as part of a Credit

#### THE ROLE

- Contributing to the generation of realistic trading strategies for developing sector credit trends and
- Able to formulate clear logical opinions of developing credit situations, and market perceptions.
- Communicating strategies and related information to the Traders in a concise and effective manner, working in a team focused environment.
- Maintaining a credit spread database and modelling credit curves in a wide range of credits.
- Analysis of in-house and external credit research and company reports & accounts.

#### THE CANDIDATE

- Of graduate calibre, you will have a minimum of 2 years experience within a trading/sales environment, with a working knowledge of credit analysis methodologies and credit markets.
- Commercially orientated, you will possess excellent interpersonal skills, and enjoy delivering results/solutions in a flexible and responsive fashion.
- A highly motivated self-starting practitioner, you will thrive in a fast moving front office environment.
- IT skills including Excel, Word, Access & Bloomberg.

THE PACKAGE Attractive remuneration package, based on experience, with standard banking benefits.

> Hanrahan Associates Search & Selection

Please send a full CV to: 82 High Street, Tenterden, Kent TN30 6JG Fax: 01580 764634. E-Mail address: HanAss@sol.com For further information please contact Patrick O'Hanrahan or Peter Barrett on 01580 766906



Russia and CIS.

#### BARCLAYS PRIVATE BANK LIMITED

Barclays Private Bank Limited is an independent Bank within the Barclays Group.

We are looking to grow further our team of professionals advising private company shareholders and other UK taxpayers with substantial personal assets.

Experienced private bankers or professionals with investment management or corporate finance backgrounds are invited to write enclosing a full CV to:

The Executive Director, UK Barclays Private Bank Limited 43 Brook Street London WIY 2PB



An ophthalmic instrument manufacturer is looking for an individual currently living in Europe with 10+ years experience in dealer management and development (preferably in the industry) to join our sales and marketing team. Fluency in English and a marketing degree (MBA desirable) or equivalent experience required. Prior responsibilities to include P and L, strategic planning, marketing and new product specifications with experience in sales agement and market development.

You will be responsible for:

- O New product specification and Input O Development of technical and customer service
- strategy and pricing recommendations Managing advertising, promotion and exhibit ectivities
- O Dealer selection and assessment

To learn more about this opportunity, please breard resume and salary history to:

Box A6117, Financial Times, London SE1 PHL

#### ACCOUNTANCY APPOINTMENTS

### style holdings PLC FINANCIAL CONTROLLER

West London

c.£40,000 package

Style Holdings ple is one of the UK's most successful menswear retailers, trading from 130 Concessions and the outstanding Envy retail chain currently with 16 prime units. The company was successfully floated on AIM in 1997 and has the management, market potential and resources to maintain its current very high rate of growth.

The Financial Controller is responsible to the Finance Director for a wide range of the company's management and financial accounting functions with particular emphasis on:

- Managing existing comprehensive rapid reaction reporting systems.
- The introduction of an updated accounting system.

£70 million.

- The interface between finance. production and merchandising.
- Addressing the impact on the company of high growth strategies.

Candidates should be qualified with significant commercial experience which must include 2 years' experience in retailing at a responsible level. Style's management team is young, enthusiastic and professional and the environment demanding but very satisfying in terms of the range and depth of responsibilities given to individuals.

The package will include a competitive salary together with bonus based on company and individual performance. Success in the role will lead to the opportunity of participating in the company's share option schemes.

FINANCIAL CONTROLLER

Written applications please, with CV and current salary to: Richard Shirley, Finance Director, Style Holdings plc, e o Silver & Co., Ashton House, 52 Welbeck Street, London W1M 8NH.

c£50,000 + Car + Executive Benefits including Bonus

Our client is a quality name in worldwide rail and sea passenger

services and a substantial player in the leisure industry. A world

acquisition and organic growth, and now seeks a Financial

Reporting to the Managing Director with a dotted line to the

Your specific responsibilities will include:

Divisional Financial Controller, you will play an active role in the

strategic and operational decision making process. As finance is a

key driver in the business your involvement will be broad in scope.

Interested candidates should send their CVs to John Copeland, quoting reference FT0156,

Fax: 0171 209 0001. E-mail: jc@fss.co.uk Visit our website at www.fss.co.uk

at FSS Financial, Charlotte House, 14 Windmill Street, London W1P 2DY. Tel: 0171 209 1900.

leader for 25 years, this organisation continues to expand, through

Controller for one of its major operations, which has a turnover of

### **Driving Financial and Operational Success**

Cardiff. UK

Excellent packages and relocation

The world's most proficible business, GE's interest span engineering to power generation, network broadcasting to financial services. One of its highly suc cure luvinesses. GE Aircraft Engines has resenues of \$7.79 billion and leads the world in its key markets. Part of its global operations, GE Aircraft Engine Services (CEAES) provides overhand and component repair services to its customers and is growing dramatically in Europe through major contract gains and joint ventures: onal revenues for 1998 are expected to exceed \$4 billion.

From its Life base in South Wales, GEAES generates annual sales of \$750 million, serving the world's major airlines. Continued growth requires taken finance professionals with the expertise and ambition to add value to GEAES' operations and to develop a career within GE's world-wide operati

Financial Controller

Responsible for all aspects of accounting and controllership for GEAES in the UK, this is a key leader-hip opportunity, managing and motivating a sum of 12, taking overall responsibility for the development and implementation of financial controls. Advising business leaders on risk management and liabing extensively at senior levels internally and with external advisors, the role quires a professional fluance qualification or European equivalent and 2 total of f-N years' finance experience. Candidates must be able to think rategically and creatively and set and steet challenging targets.

**Product Team Financial Analysis** 

Working with a product team responsible for annual sales of \$100-\$200 million, the Financial Analysis deal with diverse business laues, covering planning, forecasting, analysis and reporting, driving the team towards the rement of productivity goals. GEAES currently seeks two Analysis, with the energy and shifting to work effectively with other team members to develop and, where necessary, change processes in order to improve profitability and cash-flow. Candidates should have around 4 years' finance experience and a racognised accounting qualification or European equivalent.

For all these positions, applicants must be able to demonstrate embusissm, energy, strong analytical skills and the ability to work effectively under pressure. GE operates a truly girlad excitocracy with unrivalled career prospects for individuals with the  $\phi = 0$ taless, ambision and integrity to theire in its high-performing environment.

To apply picture post or fax your CV quipting ret: 260, giving details of currence solary package, so our retained consultants Alderwick Consultant Ltd. 95 Fetter Lane, London EC4A LEP. Fox (444) 171.242 3560. For more non please call (+44) 171 342 9191 (weekdays) or (+44) 1732 811249 or (+44) 171 820 3440 (evenings and weekengis). Any CV sent direct to GE will be forwarded in Alderwick Consulting Lat.

ek of General Bectric Company, U.S.A., which is not one inglish company of a stanter mana.



Day to day management of the finance department
 Development of management information, controls and systems.

Key contribution to the strategy and precall the strategy and strategy are strategy.

Assisting the Managing Director in the management ob diagnos

The successful candidate will be a qualified accountable with ac-

least 4 years' POE (ideally in the service or travel sector) who can

and non-finance individuals at all levels of the basiness.

demonstrate strong leadership skills, a francs on about to work ina team environment and the personality to deal with both figures.

Aircraft Engine Services

# Stockport Healthcare

inch.

### **DIRECTOR OF FINANCE**

£45,140 - £50,779

We are seeking an energetic and professionally qualified individual to lead the Trust's features function and effectively contribute to the corporate management of the Trust and

instruct function and effectively commute to the corporate management of the trest and its ESD million turnover.

As an Emastive Director on the linest Board, you need vision, business occurren and will be adapt at developing effective working relationships. You will be a stilled negotiator who can see the forg picture. Experience in a senior NHS finance position is desirable as is experience of PT.

Interested Then contact Alan Yates, Chief Emastive, on 0161 419 5158 for an informal

Raicceion cusistance may be evolicible.

For explication deltails, please contact the jobiline on 0161 487 3437.

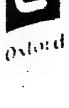
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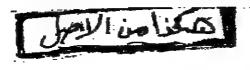
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a Moscow Office

### **Group Financial Accountant**

#### Oxford

Electrocomponents pic is a highly rated listed company with a market capitalisation in excess of £2 billion. It is the market leader in the catalogue distribution of industrial components. Its 1997 results showed sales of over £600 million and profits of £112 million.

Rapid growth in Europe and in Asia, has created the need to reinforce the group finance team, based in the new international management centre in Oxford.

Reporting to the Group Controller, the Group Financial Accountant (GFA), will ensure that the Group's external reporting maintains best practice and will add value to the Group's operations through the effective management of tax.

Specific responsibilities will include:

 Preparation of the Group's published accounts. Analysis of new reporting standards, ensuring Group compliance.

£35-40,000 + Car

 Co-ordination of international tax planning. · Provision of support to international finance staff.

The Ideal candidate will be an ACA with circa two years PQE. Technical competence is a prerequisite, but to be truly effective in the role, the GFA must have a strong commercial focus to direct the application of those skills.

The international dimension demands first rate communication skills. The ability to work effectively in teams and build partnerships with both colleagues

Interested candidates should write, enclosing a full curriculum vitae, current salary details and daytime telephone number to Mr Ifti Uddin ACMA at Michael Page Finance, 40-42 High Street, Maidenhead, Berkshire SL6 1QE, Pax 01628 785495. e-mail: Irduddin@michaelpage.com Please quote reference 41A989,

### Michael Page

Australia - Chima - France - Germany - Hong Kong - Italy - Netherlands - New Zeeland - Singapore - Spain - UK - USA

## **Group Finance Director**

#### **West Midlands**

c £55,000 + FX Car + Benefits

relationship and cash management.

planning/decision making.

· Pro-active and commercial input into strategic

Maintenance and development of the banking

Enhancement and development of the group

Established in 1985, BHD Group is a manufacturer of aluminium patio doors, PVCu windows, conservatory products and shower enclosures. Serving the DIY replacement and New Build markets both in the UK and overseas, it enjoys significant market shares in all of its businesses. With a turnover of circa £50 million, growth has been largely organic and is expected to increase significantly over the next three years.

An opportunity has now arisen for an ambitious Group Finance Director to join the dynamic manadement team.

Reporting to the CEO and group board, responsibilities will include:

 Maintenance and continuous improvement of high standards of management and

- financial reporting. Management of the planning/forecasting
- IT function. Appropriate candidates will be qualified accountants with a proven track record of achievement in a commercial environment. Ambition, confidence and

a team approach are key qualities. Additionally the successful candidate will possess strong man-management and communication skills.

Interested candidates should apply in writing enclosing a current CV (including salary and benefit details) to Stephen Wilson at Michael Page Finance, The Citadel, 190 Corporation Street, Birmingham, B4 6QD. Telephone 0121 625 3380, fax 0121 625 3378 or e-mail: stephenwilson@michaelpage.com Please quote reference 415587.

### Michael Page



### **Consolidation Accountant**

for Compass International Division (with a turnover of FRF 11 billion, 45 countries), member of Compass Group Plc.

#### **Paris**

O

Heress

Reporting directly to the Consolidation Manager, you will form part of a team of three people responsible for:

- Preparing the biannual divisional consolidation (60 packs from 45 countries).
- Responding to queries from the UK head office. Visiting countries within the division to provide technical assistance.

Aged 28-32, you must have a good working knowledge of English and French. Spanish and/or German would be an advantage. You

#### **Attractive Package**

should be a qualified accountant with at least three years consolidation experience in an international group. You must demonstrate very good organisational and communication akilis, with a strong, positive and flexible personality.

For further information in complete confidence, please write to Patrick Hollard, enclosing your CV at Michael Page International, 159 Avenue Achille Peretti, 92522 Neully-sur-Seine cedex. France. http://www.mpfrance.com Please quote reference PH21343.

#### Michael Page INTERNATIONAL

Australia - China - France - Germany - Hong Kong - Italy - Netherlands - New Zealand - Singapote - Spain - UK - USA

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### **Business Support Accountant**

Reading, Salary £40,000 package

BQ pio is a major force in the international energy market. In recent years, our business has moved forward repidly and become one of the most dynamic forces in this fast-changing sector.

As a Business Support Accountent, you'll have a crucial role to play in our international Downstream Business Unit's progress. You'll provide the main financial support to a regional management team and be the financial expert on all our activities in the region. This will involve gathering and analysing accounting information, and producing a wide range of reports, including budgets and forecasts. It's a real opportunity to improve all aspects of our service to the region and support the growth of this business unit.

A qualified CCAB Accountant, you'll need a thorough understanding of UK accounting rules and multi-currency consolidation, plus, Ideally, some experience of international acquisitions and disposal accounting. A high standard of computer literacy, including familiarity with spreadsheet modelling, is essential, it would also be useful if you had some additional language skills.

As for personal qualities, we're looking for someone who's naturally inquisitive and adept at problem-solving. You also need to be customer-oriented and possess the ability to build good working relationships. Your skill in influencing the way people work will be a key factor in your success, so you must be credible and persuasive. It's particularly important that you're able to develop the Accountant who'll support you, so that you form an affective team. As the role is international in scope, you must be willing to traval.

If you can meet these demanding standards, please send your CV to Flons Callan, BG, Human Resources, 100 Thames Valley Park Drive, Reading, Berkshire RG6 1PT. The closing date is 30th April 1998.

BG

### **Operations** Manager **IIIIUNITED CARRIERS**

#### Wellingborough To £35k inc. fx car + relocation

Since our formation just 25 years ago United Carriers has become a major force in the logistics business. A pic listed on the London Stock Exchange since 1994 we are global providers of general and specialist collection and delivery services. In 1997 our tumover

A major and continuing restructuring of the business was begun in 1996 and as part of this change we wish to appoint an Operations Manager to fill a key role in the Parcels and Light Freight Division Management Team.

Reporting directly to the newly appointed Finance Director you will play a vital part in the planned change of the Finance Department. Working closely with the Operations Directors you will be fully involved in helping to maximise the division's operational performance by identifying the key drivers of the business, introducing continuous improvement

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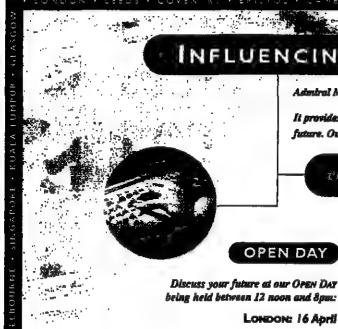
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# Stage door flung open to the world

Richard Fairman enjoys the benefits of the city's increasingly international outlook

How opera in Paris has changed. Twenty-five years ago a visitor to the city would have found an inward-looking regime, determined to maintain a stronghold for French singers against the internationalisation that was sweeping the rest of the world.

Now Paris is a world centre for opera. It has five theatres that reg-ularly stage opera, including two of the most beautiful and historic (the Palais Garnier and the Opéra Comique) as well as one of the largest in Europe (the much-maligned Opéra Bastille). There is a desire at

#### There is desire at the highest level for Paris to have a dazzling amount of opera

the highest level for Paris to have a dazzling amount of opera performed by international names and not much argument about who is going to pay for it.

The patriotic French blockade of the stage door is long over. Look suits, prowled on a flight of stairs down the cast lists now and it is American singers who seem to be taking over. The new production of L'ilaliana in Algeri, which opened at the Palais Garnier last week, should have been a star vehicle for Jennifer Larmore, the American mezzo who has inherited the Rossini mantle from Marilyn Horne, but she cancelled the press night.

This was a shame, as the Opera National de Paris had assembled as fine a Rossini cast as money can buy at the moment. The American tenor Bruce Ford was a sweet-Corbelli as Taddeo and Simone modern-day Middle East dictator. Trullu sang Isabella with fast-vibrato energy that recalled Conchita Supervia, though nerves took their scintillating Rossini from the pit.

It was a good thing they all had

POP: MASSIVE ATTACK'S NEW ALBUM

Serban's rancous production did its best to upstage them - literally when a huge pair of pink plastic bosoms swung over their heads. On a Hollywood budget, he staged the sinking of the Titanic (very impressive) and rescue by what seemed to be a life-size aircraft carrier. By the interval there had already been one vulgarity too many, but I would love to have caught the wives' reaction when they saw their husbands in the chorus kitted out as pot-bellied Turks sweating

At the Opéra Bastille it was native German-speakers who were in the ascendant for a new, largely impressive, production of Berg's Lulu. So soon after seeing this opera in the intimate setting of Glyndehourne it is harder to accept the compromises made necessary by the Bastille's vast open auditorium, especially the difficulty in catching the words. But a stronglymotivated cast and a bold, intelli-gent staging made their own

impact.
The action was played out in a sami-circular arena, the circus-like ring of the prologue. In Willy Decker's reading of the play, Lulu the etamal female is courted, pursued and finally destroyed not by any one man in particular, but by the male race in general. Forty or 50 men, all identically dressed in dark above the arena.

Maybe the symbolism of the drama was treated with a heavy hand, but Decker balanced that by drawing human portrayals from his principal singers. The slim, scantily-clad Lulu of Anna-Katharina Bahnke embodied the role, sansuous in a modern way; her lyric soprano, a Salome and future Eva in Die Meistersinger, was a touch larger than usual, an advantage at the Bastille. WolfgangSc bone was the sombre Dr Schön, David Kuebler a still youthful Alwa and Julia voiced Lindoro and there were two Juon a rich-voiced Countees Gesvocally nimble Italians, Alessandro chwitz. Not enough orchestral detail gets through in these acous-Alaimo who showed a wicked eye tics, but the conductor, Dennis for comedy playing Mustafa as a Russell Davies, judged the balance well. The ever-improving Orchestre In Larmore's place, Maria José de l'Opéra National de Paris played as skilfully in this Berg as it had in the Rossini.

toll in the slower music. Bruno French lyric tradition is the Salie chair. Some producers fix upon Campanella took charge of some Favari, home of the Opera Comi- Maeterlinck's symbolism of light que. No operatic trip to Paris and dark, but Médecin and his should miss a visit to this exquisite designer, Andreas Reinhardt, pre- naivets, which the sharp-voiced singing in his own language.



Magisterial: François Le Roux and Anne-Marguerite Werster in the Opéra Comique's production of Peliées et Mélisande

duction, shared with Radio France. There were new ideas in Pierre Médecin's production, but none that did violence to the delicate suggestiveness of the opera. The story was told as if Golaud was re-living events, watching from the The remaining outpost of the comfort of his huntsman's arm-

sande is the company's new co-pro- bol, and the floor of the stage was constantly awash (inconvenient for the not very interesting Pelleas a soprano in a skimpy dress who and Christian Tréguler a vocally has to lie down and then stand up agein to sing).

theatre. Debussy's Pelléas et Méli- farred water as their guiding sym- Anna-Marguerite Werster managed convincingly. William Dazeley was uncomfortable Arkal. Whether intentionally or out of necessity. Thanks to the unbuttoned con- Golaud became the central characducting of Georges Prêtre and an ter of the evening. François Le able contribution from the Roux's magisterial singing of the spring is supported by SBC Orchestre National de France, this role combined understanding, feelwas an emotional Pelléas. The pro- ing, clarity of diction, and excepducer wanted Mélisande to be a tional eloquence, Even now there conniving so-and-so, full of false is nobody to beat a Frenchman

> vocal which opens proceedings on once more, is the nearest we get to "Angel": "You are my angel, come an upbeat, orthodox reggae pounding, from here on things get from way above, to bring me love" he intones celestially, only to be increasingly troubled: "Black undermined by a slow crescendo of Milk", the dissonant title track, the distinctly earthly, crashing guitar rumbling "Group Four", full of chords, which gradually ease off foreboding, where not even Frasand fade into an uncertain resoluer's vocal can lighten the gloom. Another guitar coda, another tightening of the acrew, the tension

raised once more. And then the winding down, a vocal reprise of "Exchange" which does not - cannot - do enough to resolve matters. Mezzanine, while representing the very best traditions of eclecticism and originality which has always fuelled the best British pop, is an unremittingly dark album. There is something sad at its core, but it still manages to lift the spirits. It is a rare combination and a telling sonic signal for the times.

SPONSORSHIP

## Contacts come up trumps

need government subsidy or between the nominations. lottery cash to transform themselves. Glyndebourne funded its new opera house with £35m raised mainly from business, and now the National Gallery is close to completing a £50m refurbishment without a penny

of taxpayer's money. In addition it also man-aged to persuade the three Sainsbury brothers to give around £35m to enable it to complete an extension to its Trafalgar Square home. Both institutions share

two priceless characteristics they guarantee potential sponsors access to the highest artistic endeavour, and they have perfect settings: one on the Sussex Downs, the other 100 yards from Whitehall, Last month the National Gallery unveiled the refurbishment of its north galleries, which bold its finest French and Dutch paintings. The first stage, costing £4m, was funded by some very starry names gathered together by Sir Ewan Fergusson, chairman of Coutts and leader of the appeal, which included the Queep, the Queen Mother, the French designer Yves Saint-Laurent, who gave £1m, and his partner, Pierre Bergé, who also made a gen-

cous dountion. In sponsorship, contacts are everything. Sir Ewan believes it is much easier to raise money from individuals than from companies; the decision-making is so much quicker. That is certainly true with the refurbished National Gallery. Most of the £50m came from private patrons like Lord Rothschild, Julian Agnew, and such charitable families as the the Sacklers and the Wohls. Less than £1m is needed to finish the £8m renovation of the north galleries; then the friends of the National Gallery will fund raise for picture accui-

sition. Companies are keener to sponsor exhibitions, which give them the perfect venue for corporate hospitality. The display of Dutch art this Warburg, and in September Esso will be sponsoring the NG for the tenth successive year when Dr Jonathan Miller presents a personal choice of paintings under the theme "Mirror Image".

Although corporate sponsorship rose by 20 per cent last year to £100m, the arts are still very dependent on the generosity of charitable

Two such trusts are the Paul Hamlyn Foundation and the Jerwood Foundstion. In the past, each year Hamlyn made grants to artists in particular art forms successively poets, sculptors, choreographers and composers. But for the next three years it is concentrating all its resources on five visual artists, giving them each £30,000 to enable them to create without money worries for three years. Twenty established artists, including Paula Rego, Rachel Whiteread and Doug-

There are certain British receive the cash, and then cultural icons that do not seven judges will decide

The Jerwood is to continuing with its Painting Prize which, at £30,000 is the largest in Britain. The judges, chaired by art historian Norbert Lynton, are seeking the widest range of entries.

Meanwhile, the Jerwood Foundation is widening its scope. It has acquired a 25,000 sq ft building alongside the new Tate Gallery of Modern Art on Bankside, to be known as the Jerwood Space, which will provide an exhibition gallery, studios. and a general home-from-

home for all types of artist. It has also launched the Jerwood Film Prize for film scriptwriters, which is being 000,0012 diw betomorq worth of free advertising at the Warner chain of cinemas. The winner will have his, or her, script made into a 10-minute film, screened in the same cinemas.

Although corporate sponsorship rose by 20 per cent last year, the arts are stili very dependent on the generosity of charitable trusts

Coutts Bank is raising its profile as an arts sponsor. It recently paid for the Chicken Shed Inspiration Awards, the party at the Player's Theatre to recognise friends of this charity, which involves young people of all abilities and disabilities in play acting. It also belped to rope in some of the sponsors of individual prizes, such as Sony/ATV Music Publishing, River lsland, Bill Kenwright etc.

The prizes were Oscar-like awards given to active supporters such as Sir Trevor Nunn and Bob Hoskins. Chicken Shed also received £5,000 from each sponsor and, was £30,000 richer because of the evening.

Yet another art prize, this time for creators in digital art, has been announced. Cap Gemini, the computer services company, has put up £10,000 for the Imaginaria, the first prize to recognise computer art. The company is also employing two artists, rather than computer consultants, to make technology presentations to its business customers.

Chase Manhattan Private Bank is sponsoring a composer-in residence at the San Francisco Opera. Jack Hegcompose an opera based on the book. Dead Man Walking. Chase Manhattan, the largest US based private bank, gives more than \$500,000 a year to arts and charities on the West Coast.

las Gordon, will make sug-gestions as to who should Antony Thorncroft

# Sonic signal for the times

Future historians may look back at time it can only be properly appre-British culture at the turn of the millennium and see a country not so much revelling in coolness as wrestling in infernal gloom. They will ignore Sense and Sensibility, Oasis and mirthful receptions at Number Ten and point instead to the gruesome menace of Damien Hirst's unsacred cows, or the air of desperation underscoring Trainspotting's scabrous humour. And the soundtrack to support their thesis will surely come from Massive Attack.

No other group better captures the dread of the era than this trio

clated at the end of the decade Mezzanine (Circa) is only the group's third album, but they have used the time well to perfect their craft. It is a richer, more assured work than its predecessor Protection - no ghastly errors such as the and a more textured sound gives the album depth and substance.

The two notable changes in the group's musical arsenal are the addition of the former Cocteau Twins' exquisite purveyor of ethereal gobbledygook, Elizabeth Fraser, and a liberal use of guitar from Bristol who, with their 1991 over the familiar hypnotic backdebut album Blue Lines produced a beat which has come to be known sullen soundscape so ahead of its as the foundation stone of trip-hop.

The employment of Fraser in particular, like the use of Tracey Thorn on "Protection", is an inspired move: on the new single "Teardrop", her folky singing gives the group one of its softest, most melodious songs; on the album's stand-out track, "Black Milk", her vocal drifts over a threatening background of tinkling piano, thumping bass and a buzzing mosquito synthesiser which coheres with devastating effect.

Fraser is only one of three guest vocalists on Mezzanine: elsewhere, the group members' own various growls and whispers are complemented by the familiar voices of Horace Andy and Sara Jay. It is Andy's high, soulful

The darkness of tone continues on "Risingson", taut and urgent, defying all those who label this music wayward and dreamy, and the gentle "Teardrop" is a misleadingly pacific interlude before the sinister "Inertia Creeps", all frac-

> "Exchange", an unsettling instrumental, treads water for a while: on "Dissolved Girl". Jav's sweet vocal runs into what can only be described as a Black Sabbath riff, as if the group cannot bear to allow any succour to alleviate the aural siege.
> "Man Next Door", Horace Andy
> Peter Asptien

tured eastern inflections and rough

### INTERNATIONAL

# Arts Guide

#### **AMSTERDAM**

OPERA Netherlands Opera, Het Muziektheate Tel: 31-20-551 8911 Wozzeck: by Berg. Wim Trompert directs a revival of Willy Decker's 1994 production, with designs by Wolfgang Gussman, With the Netherlands Philharmonic conducted by Hartmut Haenchen; Apr 19, 21

#### BERLIN DANCE Doutsche Oper Tel: 49-30-34384-01 La Sylphide: revival of a production designed by David Walker and directed by Peter Schaufuss, after August Boumonville; Apr 18

OPERA Deutscha Oper Tel: 49-30-34384-01 Parsifel: by Wagner. New production conducted by Christian Thielemenn in a staging by Götz Friedrich; Apr 19 Der Prinz von Homburg: by Henze, Conducted by Christian

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Thielemann in a staging by Götz Friedrich; Apr 24

Staatsoper unter den Linden Tel: 49-30-2035 4555 www.staatsoper-berlin.org Die Meistersinger von Nürnberg: by Wagner. Harry Kupfer's new production is conducted by Daniel Barenboim/Sebastian Welgle; Apr 19

#### CHICAGO CONCERTS

Oychestra Hall Tel: 1-312-294-3000 www.chicagosymphony.org Chicago Symphony Orchestra: conducted by Donald Runnicles in works by Wagner, Haydn, Part and Britten. With cello soloist John Sharp; Apr 17, 18, 21 Chicago Symphony Orchestra: American premiere of Carter's Clarinet Concerto, conducted by Pierre Boulez with clarinet soloist John Bruce Yeh. The programme is completed by Mahler's Symphony No. 1 in D Major; Apr 23

#### COPENHAGEN EXHIBITION Louisiana Museum of Modern Art, Humleback Tel: 45-4919 0719 www.louisiana.dk Francis Bacon: major retrospective including loans from around the

FLORENCE Maggio Musicale Fiorentino

world; to Apr 26

Tel: 39-55-211158 www.meggioflorentino.com The Lady Macbeth of the Misensk District: by Shostakovich, New

production by Lev Dodin,

Teatro Comunale: Apr 21

FRANKFURT CONCERTS Alte Oper Tel: 49-69-134 0400 Chamber Orchestra of Europe: conducted by Nikolaus Hamoncourt in works by Schubert,

Mendelssohn and Schumann, With

violin sololst Thomas Zehetmair:

conducted by Serryon Bychkov;

#### LONDON CONCERTS

Royal Festival Hall

Tel: 44-171-960 4242

Barbican Hall Tel: 44-171-638 8891 London Symphony Orchestra: Michael Tilson Thomas conducts works by Mahler, ives and Bernstein; Apr 17

#### London Philharmonic Orchestra: Ben-Hur. Projection of the 1925 film with live performance of Carl Davis's Score, conducted by the composer, Apr 18 English Chamber Orchestra: conducted by Pinchas Aukerman in works by Dvorák and Mozart, with piano soloist lyuko Nakamichi, and by Shuntaro Sato in Bartok's Viola Concerto, with Zukerman as viola soloist Apr 20

Philharmonia Orchestra:

conducted by Mikhail Pletnev in

works by Berlioz and Tchalkovsky.

With mezzo-soprano Jean Rigby; Orchestra of the Age of Enlightenment, conducted by Sir Simon Rattle in works by Mozart, Berlioz and Beethoven. With mezzo-soprano Ann Murray;

Apr 22

MILAN OPERA Teatro alla Scala Tel: 39-2-88791 www.lascala.milano.it Linda di Chamounio: by Donizetti. Co-production with Vienna Staatsoper conducted by Roberto Abbado in a staging by August Everding; Apr 17, 18

#### THEATRE Aldwych Theatre Tel: 44-171-416 6003 Arny's View: by David Hare, West End transfer of the National Theatre's production, directed by Richard Evre, with Judi Dench and Semenths Bond

Almeida Theatre Tel: 44-171-359 4404 The Iceman Cometh: by Eugene O'Nelli. Howard Davies' production stars Kevin Spacey, Rupert Graves and Clarke Peters

#### MUNICH CONCERTS Philharmonie Gasteig Tel: 49-89-5481 8181

Munich Philharmonic Orchestra: conducted by Günter Wand in works by Schubert and Bruckner. Apr 19, 20, 21 Vienna Philharmonic Orchestra:

conducted by Vladimir Fedosseis in works by Schubert, Haydn and Tchaikovsky: Apr 22

Klassische Philhermonie Bonn: conducted by Heribert Beissel in works by Rossini, Chopin and Beethoven; Apr 23

**OPERA** Carl-Orff-Saal, Gasteig Tel: 49-89-4809 8508 Vision of Lear: by Toshio Hosokawa, with a libretto by Suzuki and Hosokawa. Co-production of the Munich Blennale with the Shizuoka Performing Arts Centre; Apr 19, 20, 22

**NEW YORK** 

EXHIBITIONS Metropolitan Museum of Art Tel: 1-212-879 5500 www.metmuseum.org Augustin Pajou, Royal Sculptor: first retrospective devoted to works by the French sculptor (1730-1809); to May 24 Pierre-Paul Prud'hon (1753-1823): first American retrospective of work by the French court painter and draftsman; to Jun 7 When Silk Was Gold: Central Asian and Chinese Textiles. Featuring 64 precious textiles from the 8th to 15th centuries; to May

OPERA New York City Opera, New York State Theater Tel: 1-212-870 5570 WWW.hycopera.com Paul Bunyan; by Britten, New production directed by Mark

17

Lamos and conducted by Stewart Robertson; Apr 18, 22

#### PARIS CONCERT Salle Pleyel Tel: 33-1-4561 6589 Orchestre de Paris: conducted by Frans Brüggen in works by Haydn

and Mozart. With cellist Truls Mork: Apr 22, 23 SAN FRANCISCO CONCERTS Davies Symphony Half Tel: 1-415-864 6000 www.sfsymphony.ora

San Francisco Symphony

Orchestra: conducted by Alasdair Neale in works by Haydn, Marti Epstein, Elgar and Schumann, with piano soloist Hélène Grimaud; Apr 17, 18 Alfred Brendel: recital by the pianist of works by Mozart, Schubert and Haydn; Apr 19 Isaac Stern: recital by the violinist, with pianist Robert

McDoneld; Apr 21 San Francisco Symphony Orchestra: conducted by Hugo Wolff in works by Debussy, Mozart and Schumann. With piano soloist Alicia de Larrocha; Apr 22, 23

#### **STOCKHOLM** EXHIBITION

Moderna Museel Tel: 46-8-5195 5200 www.modernamuseet\_se Wounds: Between Democracy and Redemption in Contemporary Art. The inaugural exhibition in the museum's new building examines

developments in the visual arts from the 1960s to the present. Includes works by Francis Bacon, Andy Warhol, Gerhard Richter and Per Kirkeby; ends on Sunday

#### TOKYO CONCERT Bunkamura Tel: 81-3-3477 9999 Tokyo Philharmonic Orchestra: conducted by Hiroyuki Iwaki in works by Ichiyanagi, Szymanowski and Tchaikovsky. With violin soloist Natsuko Yoshimoto: Orchard Hall: Apr 17

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EDWARD MORTIMER

# Icons of evil

Hitler set the 20th century standard for barbarity and Pol Pot followed him. Is class war any less heinous than race war?

Probably all cultures need a figure who symbolically represents absolute evil. For late 20th century world culture. Pol Pot has been that figure.

Hitler, of course, set the standard. On the crudest quantitative measure, the sheer number of deaths for which be could be held directly responsible, Pol Pot clearly fell far short of the Hitlerian standard, even if one accepts the high figure of 2m people killed during his 314-year rule in Cambodia

(April 1975 to January 1979). But Cambodia is a small country, and 2m probably represents at least a quarter of its population at that time. Even the more cautious estimates hold that one Cambodian out of every seven perished, Hitler himself is not thought to have massacred such a high proportion of the inhabitants in any of the states that he conquered.

On the other hand, Hitler's aim was to exterminate entire peoples whom he classified as sub-human, and whom he defined in pseudo-scientific racial terms. Millions of human beings were condemned purely on the basis of their supposedly inherited genetic characteristics. It was this that came to be seen as the uniquely evil aspect of his system, and which gave rise to the coinage of the word "genocide". meaning in Latin the killing of a race or

That is probably still most people's understanding of the term. But on that basis Pol Pot was not guilty of genocide. He belonged to the same ethnic group as his victims. Whatever his motives were, it seems fairly clear he was not aiming at the extermination of the entire Khmer or Cambodian people. Why then is the

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'genocide museum" in Phnom Penh so called? Partly no doubt because genocide" is the most damning word in the modern world vocabulary. But there is also a legal iustification.

Genocide is the subject of an international convention, which defines it very widely. including five different categories of action (killing being only one of them) "committed with intent to destroy, in whole or in part a national, ethnical, racial or

religious group, as such". The charge of genocide against Pol Pot, bad he been brought to trial, might well have stood or fallen on the words "as such". His defence lawvers would no doubt have argued that the victims were not selected on national, ethnical, racial or

even religious grounds. For Pol Pot was a class warrior, not a racial one, People were killed because. unless they were working in the fields, they were deemed to be parasites and exploiters. The theory. developed by his colleague Khieu Samphan when they were both students in Paris in the 1950s, was that



colonialism had

superimposed on Cambodia's fragile agrarian structure an urban superstructure far greater than it could support. Therefore, once it captured Phnom Penh in 1975, the Khmer Rouge set about driving the urban population into the

Those killed included anyone with glasses (deemed to be an "intellectual"), anyone who flagged in their back-breaking agricultural work, anyone who resisted or questioned these barbaric orders and the regime that imposed them, anyone suspected of disloyalty, and their families. Many perished of starvation. exhaustion or disease. But

the victims were not selected

on racial grounds. This raises an interesting question: is class war less evil than race war? For most people in the west, from 1941 until the present day, the answer has been yes. Dreadful crimes might have been committed in the name of socialism, but they were not seen as generically

connected with it.

The aim of socialism was fairer society for the entire human race. Perversions or "mistakes", however appalling, could not alter the nobility of that aim. They merely showed that one should be more careful about the means used to pursue it. By contrast, Nazism and other racial theories were inherently evil. The destruction or oppression of vest groups of people was, in their case, not in unintended and 'unfortunate" consequence but central to the project

Since the end of the cold war, however, that consensus has begun to be questioned. In a recent article\*, the US historian

itself.

THE FASTEST MULTIMEDIA SYSTEM

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Martin Melia describes the debate now raging in France, after the publication of a "black book of communism", which seeks to itemise the origes committed in the name of

that philosophy since 1917. It is clear that, if we come back to the raw numbers, Hitler is not, after all, the leading mass-murderer of our century. The grand total of communism's victims, according to the book's editors, is estimated at between 85m and 100m. Nazism, as Prof Malia puts it. "at an estimated 25m turns out to be distinctly less murderous".

Right at the start, in 1918, the Bolsheviks carried out more than twice as many political executions in two months as the tsars had managed in the whole of the previous century. Stalin and Mao were later to surpass this achievement by many orders of magnitude.

Such facts have long been known to those who wanted to know them. But many of us were still reluctant to equate the horrors of communism with those of Nazism. To be anti-Nazi was safe, respectable; to be anti-communist was to be a cold warrior, implicitly an apologist for capitalism and social injustice.

Pol Pot became a convenient icon of evil because he fell out with other communists. . Vietnamese communists, backed by the Soviet Union, intervened to drive him from power, Admittedly China went on supporting him, but China by then had become an ally of the US. In western leftwing salons it was quite

okay to be anti-Pol Pot. Now, it seems, fashions are changing. Socialism is out. Nationalism is back. Perhaps sensing this, Pol Pot, at the end of his life, tried to reinvent himself as nationalist. In an interview last year (his first and last after losing power) he made no apology for his crimes. but claimed they had all been committed to save Cambodia from falling into the hunds of the Vietnames Too bad that they had

"The lesser evil?" (Times Literary Supplement, March Edward Mortimeria FT.com

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precisaly the opposite effect.

### LETTERS TO THE EDITOR

### Mega-mergers to create one-stop shops could alienate customers

From Mr Kenneth P.

Sir, Gary Hamel's Personal senior executives who are currently rubbing their impartial hands at the thought of greater salaries, and even greater share options. through mega-mergers to create massive "one-stop" shops in any area of busi-

clothing, only works when View ("Wrong merger, the goods on offer are of the wrong logic". April 15) ought highest quality and are the to be required reading for all most competitively priced or the advice given is truly

For example, the plastic cards I use are different from in any area and that rule my main bank, I have insurapplies, probably, to most ance cover with different companies for life, house, motor car and travel, and different building societies 6 Deben Valley Drive, The idea that customers and financial institutions for would wish to purchase all mortgage, Tessa and Pep, all Suffolk IP5 2FB, UK

their requirements in one based on the best deal and place, be it financial, food or the best advice that was available to me at the time. Frankly, it would be completely unacceptable for any financial institution, retail organisation, electrical store or supermarket chain to attempt to restrict my choice

> Kenneth Armitage Kesgrave,

### A scoreboard for the peace process

events):

From Dr Manfredi La

Sir, the peace agreement in Northern Ireland can achieve its laudable objective only if supplemented with fresh thinking aimed at discouraging sectarianism and fostering reconciliation. The marching season may derail the whole peace process. Here is a practical solu-

each side provides the same score.

other with a list of 1,000 proeach side is given a "budget" of 100,000 score points

to be used to rank the other side's marches in order of potential provocation;

all marches/events are banned unless the two sides agree to allow each other to hold marches/events of the

The scheme is fair (both posed marches (and other sides being treated equally), potentially inflammatory self-monitoring, and guaranteed to reduce tension and to minimise the risk of confrontation, as each side could not object to marches/events that it effectively sanctioned to take place.

> Munfredi La Manua. department of economics. University of St Andrews. St Andrews KY16 9AL, UK

### Healthy growth in prospect for cruise industry

From Mr P.J. Smith. Sir. Lex's article on the

cruise industry (April 11/12) mistakenly claims that in the period to 2002 the current order book for new berths amounts to a 16 per cent growth rate in the US and higher still in Europe. Capacity in the US has

grown by an average 9 per cent a year for the last 20 years and demand has been consistently rising to meet this. The US cruise fleet currently amounts to about 103,000 berths. Orders so far placed will increase this to support this. 155,000 by 2002, a compound annual growth rate of less than 9 per cent.

Turning to Europe, Lex claims that growth in In the US, by far the biggest London SW1Y 5EJ, UK

demand is in the low teens. market for cruising, the The UK accounts for more than half of the European cruise market. Last year UK demand grew by 23 per cent growth opportunities. This and by an average 17 per cent for the previous five

rent order book. As Lex says, the bulls see a case for growth rates beyond the levels seen so for. The fundamentals of the business and the results currently being reported by P&O and the other two leading cruise companies fully

years, well ahead of the cur-

Lex is also wrong to claim that the age profile of those who cruise is dominated by the "purple rinse brigade". 79 Pall Mall,

average age continues to fall and is now in the 40s. Lex states that the Asian downturn has knocked

appears to mean that it is less likely that Asians will want to cruise. In fact less than I per cent of all cruise passengers come from Asian countries. There may come a time when Asians, and others, will cruise in greater numbers, but this would be purely upside.

director of corporate affairs, Peninsular and Oriental Steam Navigation Company,

P.J. Smith.

### High taxes spur black economy

From Mr Rolf Joachim

Sir, As a holder of a European passport, I am not surprised by the half-hearted European measures to cope with the growth of "undeclared jobs" ("EU moves against black economy", April 8). I view efforts like these as the usual tinkering. Typical of the narrow-mindedness within the Brussels bureaucracy, the social affairs commissioner takes the wrong approach. Raised in the school of interventionism, he is a "Eurocrat" unable to detect and understand the warning signs.

A black economy is a strong indicator of citizens' rebellion against the imposition of unreasonably high taxes. Hard working individnals will naturally try to evade tax when it rises beyond a plausible amount. This is the case in most European states. However, the "Eurocrats" ignore such a simple truth for a simple reason. The political reality of Europe is based on the image of an all-around, care-taking mega-institution. We find commissioners in Brussels and elsewhere in Europe whose hearts are filled by the ethos of control, command and direction. Each is keen to eliminate all signs of independent activity: for a majority of self-confident citizens could one day hold them accountable for unnec-

essary actions and fire them. I came to the US to escape the European ideology of spoon feeding. Young people in Europe should be encouraged to revolt against the old continent by leaving. Less people - less taxpayers less commissioners. Maybe that reality would help Europe to reshuffle.

Rolf Joschim Slegen, 5630 Amaya Drive, Ap. 90, La Mesa, CA 91942, US

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**BOOK REVIEW RICHARD LAMBERT** 

shortly after he had become managing director of the General Electric Company. he issued a general call to arms. "We have by now received preliminary budgets from all groups and subsidiaries," he wrote to his managers. "None have been acceptable and all have to be This was the first of a

string of memos with which. until he retired 33 years later, he was to stamp his powerful intellect on what became one of the last great British-owned engineering businesses. While other big industrial groups stumbled and fell. GEC remained a powerful force in the land. with a rich balance sheet and a strong position in a number of industries.

Yet there is also a sense of missed opportunities in his remarkable career. Reinforced by a series of giant takeovers, there seemed by the end of the 1960s to be a good chance that GEC, under Lord Weinstock's dynamic leadership, could emerge as Europe's leading high-technology company. It had a worldclass radar business and, on the strength of its expertise in instrumentation and process control, it claimed to be the largest automation com-

pany in the world. It was not to be. For all its success in rationalising its heavy electrical business and building an important defence arm, GEC within 20 vears had ceased to be a force in computers, and was only making the most specialised semiconductors. It had missed out more or less completely on the great revolution in cellular telecommunications. In few areas could it claim leadership in Europe,

let alone the world. Not many UK industrialists merit one blography: here are two new books on Lord Weinstock, Alex Brummer and Roger Cowe have produced a broad narrative of his life and times; Stephen Aris, a journalist who followed GEC from the early Lord Weinstock days, has produced a more concise and thought-provoking book. His thesis is that Lord Weinstock's failure came from



Lord Weinstock: failure said to have the same roots as his er

ARNOLD WEINSTOCK AND THE MAKING OF GEC

By Stephen Aris £19.95, 244 pages

£24.99, 343 pages

WEINSTOCK The Life and Times of Britain's Premier Industrialist

By Alex Brummer and **Roger Cowe** 

the same roots as his SUCCESS.

The big question from the earliest days was how to bring some kind of order into a large and loosely related group of companies. Lord Weinstock's solution, Aris argues, was to run it almost like an old-fashioned

ers lived over the shop. Of course, GEC was far too big to be managed in a completely hands-on fashion. But Lord Weinstock did the next best thing: he gave the managers of his operating subsidiaries considerable autonomy to run their businesses as they wanted, but he made them personally accountable to him. Through tight financial controls, endless phone calls and a con-solution and British jobs. stant stream of memos, he made them aware that his straws throughout the projeyes were focused on every ect.

detail of their activities.

but the company as a whole was never shut down in the way that businesses like British Leyland or British Steel often were. Unlike them, its separate subsidiaries negotiated individually with their own unions, and were not contaminated by each other's problems. But decentralisation also severely limited the scale of

GEC's survival in a period of

roaring inflation and wild

swings in government indus-

trial policy. It also helped to

sustain the company through the industrial

unrest of the 1970s, despite a

dancies. GEC suffered from

continuing stream of redun-

strikes and work to rules,

GEC's ambitions, and worked against the development of successful international businesses. Aris illustrates this argument with two revealing case studies: the Nimrod disaster, and the failure to build an informafamily business, whose owntion systems business. The Nimrod aircraft was

intended to fill the airborne get fired. early warning role for Britain's air defences and it was, as the Public Accounts Committee said in 1987, "a major example of how not to approach a development project". A good part of the responsibility lay with government, which was determined to provide a British and was left clutching at

But Aris argues that Nim-

ratios. It needed someone to look at the broader issues, and to understand that the numbers do not always tell the whole story.

There is a similar point to

be made about information systems. Aris quotes Sir Robert Telford, one of Lord Weinstock's most distinguished executives. "The trouble was that it didn't fit into the GEC system. Arnold liked everything in selfcontained divisions, whereas the IS thing overlapped different GEC companies. So the question arose: to whom did this thing belong? And in the end, it fell between stools."

Brummer and Cowe make interesting comparisons between Lord Weinstock and Jack Welch, who runs America's General Electric.

tion as ferocious cost cutters, and as enemies of bureaucracy at every level. Both have placed heavy emphasis on production efficiency and the more effective use of capital. But Mr Welch is also very interested in ideas that would probably make Lord Weinstock squirm. He is almost Japanese-like in his efforts to involve as many people as possible in decision making and he says he wants to encourage GE employees at all levels to act boldly outside traditional lines of authority and functional boxes. He talks endlessly about the need for GE people to operate in what he calls a "boundaryless" environment

Managers who want to protect their own particular patches, or who are unwilling to look at the big picture,

What is the overall conclusion? Such a complex personality and an extraordinary career cannot be captured in a single paragraph. Perhaps the most you can say is that Lord Weinstock played a crucial role in sustaining an important sector of Britain's manufacturing industry, and he left a company that is strong enough today to contemplate bold moves on the international stage. But GEC is not This approach underwrote rod was simply too big and the force it might have been

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### COMMENT & ANALYSIS

### FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Friday April 17 1998

# Red-faced in Santiago

President Clinton's instinctive ment to this approach, that ever - as the US, its neighbours ress on free trade. and the EU should remember.

Mr Clinton's desire for warmer relations within the Americas is praiseworthy, and reciprocated. To mark the first regional summit, in 1994, he hit on the idea of a grand regional trade pact, the Free Trade Area of the Americas. Alas, he now finds himself returning to the summit-table empty-handed. The collapse of his attempt last year to win congressional approval for a renewal of fast-track negotiations has left the FTAA in limbo.

symptom of creeping paralysis in Clinton's embarrassment. Some US trade policy. The administration does not seem able to make the case for free trade convincingly enough to persuade congress. That is a worry for the world, especially as the US trade deficit mounts. But the fact that the FTAA is going nowhere is not in itself a problem.

isation, as has been proved again and again in the past half centional stature - through monetury, lies through the global tary union and enlargement - it negotiating process that produced the General Agreement on Tariffs and Trade and the World Mr Clinton is perfectly capable of Trade Organisation. If the fast- generating his own embarrasstrack flop were to indicate a ments; he does not need outsidweakening of the US commit- ers to make them worse.

desire to make friends sometimes would be a cause for concern. leads him into embarrassing situ- But - despite occasional alarms ations. This weekend's Summit of - there is no real evidence of the Americas, in Santiago, Chile, this. The global route remains at is one of them. There are worse the heart of US policy, and the things than embarrassment, how- surest route to continued prog-

In this process, regional trade pacts are at best a distraction and at worst a positive hindrance. From a trade point of view, it is hard to weep many tears at the FTAA's fate.

From a political point of view a few sniffles are perhaps justified. The pact was proposed as an uncontroversial symbol of the new regional amity. Without it, the US will have to try harder to keep this spirit alive.

The task will be easier if the European Union manages to The fast-track failure is a restrain itself from exploiting Mr European officials are keen to offer Latin America an alternative trade partnership. This initiative seems to stem more from a political desire to rival the US as a superpower than from any serious trade ambitions. In practical terms, it clashes with the EU's proposal for a fresh global

The best route to trade liberal- trade round for the millennium. As the EU grows in internatary union and enlargement - it must avoid the knee-jerk tendency to seek to outface the US.

### In the dock

The long expected clash on accounts for 25 per cent of all Australia's waterfront has come. world-wide dock disputes, far in The dockers union is mounting pickets, blockades and legal challenges to the attempt by a lead-

need for dock labour reform, but consistently funked the task. But Howard, the conservative prime tion that the separate controversy over aboriginal land rights may precipitate this summer. Evidently believing that taking on the dockers will prove a votewinner, he and his government have sided, rhetorically at least, with the stevedoring company.

Beating the "wharfies" may not be easy. Around the world dockers have proved a hard industry to reform, but all the more so in Australia where they have had the sort of working-class mystique that in Britain once surrounded the miners. More effectively than others, the dockers in the Maritime Union of Australia (MUA) have managed to run a closed shop that has allowed them to combine high wages and low productivity by international standards. Indeed productivity appears to have fallen in recent years. The MUA more competitive.

excess of Australia's 2 per cent share of world trade.

To escape the dockers' straning stevedoring company to glehold over their exports - 80 break the union's monopoly-hold per cent of the country's total over cargo coming in and out of Australia's farmers struck a deal Successive Australian govern- has led it to sack 1,400 of its MUA ments have acknowledged the members and to open up nonunion operations.

Patrick caught the MUA by times have changed. John surprise Australia is less heavily unionised than it used to be and minister, is in search of a vote- many less feather-bedded unions winning issue for the early elec- will shed no tears for the MUA, whose members have been offered generous redundancy terms. But the union is fighting back with pickets, apparently with tacit support from truckers. Much will depend on how vigorously the police act to keep roads to ports open. With the smell of an election in the air, the police are getting mixed signals from the politicians; the Labor prime minister of New South Wales was

> on the picket line vesterday. It is important to Australia that the dispute is resolved to follow Toyota in announcing factory closures and before any dockers unions abroad start blacking cargoes handled by Patrick. But it is even more important that the dispute be settled on terms that remove the MUA's closed shop and leave Australia



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"Better visign aged to be Josed to Involve the private sector to callicial efforts to insolve debit calese and single the problem of second bezero"



US Treasury secretary Authorities in realer financial sentres critic

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"When tries do typer... the provision of temporary financial support by the NAT is expected..... But the private sector must fully beer the consequences of the declaims." The RAF will be custoal to restoring financial stability in response to crises to the years: ahead. This pudestcopes the importance of Congress approving full funding for the IMP

quality of supervision of the financial sectors, on both the jacobse' and the borrowers' side

"If a country wants to borrow from internation capital markets, it should be required to fail? relation standards. The MF should monitor their implement

Tille meet build a consenum on how for ries with food or quest-flend exchange rates can limit short-toon cantal inflows

"The obvious solution is to lavelve fereign-payate investors in working out the crisis ... Free-skilling on the lender's side can only jeopardise the ability of the burrawer to repay

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Anancial markets. But it would be footbardy to base ... the international financial architecture on the assumption that [policies] will be partied

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mer not on fax enough". "In splin of repeated resolutions that lenders should been more of the cast of their risky dec the moral incard problem in the 1990s by it anything, larger than it was in the 1990s.

Two issues faced the IMF/World Bank meeting this week: how to lessen the chance of financial crisis before the event; and how to react once one happens. FT writers report

# Crystal balls in Washington

echoed to the sound of stable doors slamming after the horse has bolted. The much-hyped "new international architecture" is the fashion of the moment at the International Monetary Fund and the World prevent financial panic. But ensuring they would have spotted the last crisis does not mean they will spot the next.

The Asian crisis exposed gaps in the IMF's surveillance of countries' economic acrimonious internal post-mortem, the conclusions of which were discussed vesinterim committee. Two questions dominated debate: how can the IMF predict potential crises more effectively? And, once a crisis is looming, how can it persuade a country to take preventive action?

In the case of Thailand, the post-mortem concluded "the Fund was clearly aware of the risks associated with the policies being pursued at an early stage, and before a consensus emerged among private market participants". It was helped speculative attack: signs of overheating, an overvalued exchange rate and an maustainable current account deficit.

The problem was not predicting the crisis, but persuading authorities to act before it was too late. The Fund was urging Thailand to abandon its dollar peg as early as 1994 when it would have been relatively pain free. When the government was forced to float the baht three years later, it was anything but painless.

The IMF could apply pressure by public whistle-blowing. But this would risk triggering the crisis the Fund was seeking to prevent. In some countries - Turkey, Romania and Pakistan – the IMF has privately predicted crises that have so far failed to materialise. Some ministers want to keep the option of public warnings. A less dangerous route would be for the Fund to exploit peer pressure, warning countries they would be hurt if a neighbour's imprudent policies led to a full-blown crists. Advocates of peer pressure argue that Italy took steps to qualify for Europe's single currency only because of pressure from other EU members.

The IMF knew by last spring that a risis in Thailand was virtually unavoidable, but the timing was difficult to predict partly because Thailand used transac-

merica's capital this week has tions in the forward currency market to disguise the state of its foreign exchange reserves. In spite of initial reluctance on the part of France, public information on the true state of foreign exchange reserves is now likely to be required under a "special data dissemination standard" intro-Bank. Its aim is to improve their ability to duced by the IMF. Just as desirable, but less easy to amass, is information on countries' holdings of short-term foreign currency denominated debt.

Promoting transparency and the release of economic information - both to the policies. These have been the subject of an Fund and the public - are the basics of crisis prevention. Ministers yesterday discussed ways to promote transparency terday by finance ministers on the IMF's more aggressively. One idea is for the IMF to refuse to complete its annual healthcheck of a country's economy When it is not satisfied with the information being provided. Fund staff are also considering ways to shame more countries into publicising the conclusions of such healthchecks, something many emerging market nations are reluctant to do.

. In South Korea, the problem of crisis prediction was more fundamental. The macroeconomic position was better than by the fact that Thalland displayed symp- in Thailand. Rating agencies and other analysts were unnerved by corporate bankruptcies and banking fragility early last year but, according to the IMF postmortem, "the Fund does not seem to have shared the extent of these concerns until the second half of 1997".

With hindsight, IMF staff recognise that "effective surveillance will require closer examination of the functioning of the financial sector, at a much more detailed level than previously required". The Fund is building up its financial sector surveillance capacity, as has the World Bank. The UK and Canada have proposed that the two institutions pool their expertise. More information, a greater focus on

financial-sector problems and more candoor from the international institutions might have helped avoid Asia's crisis. But amid the reforming zeal in Washington this week, James Wolfensohn, the World Bank president, sounded a note of caution: "I think there is a general recognition this time that we could have done better." he said. "There will be a new architecture. there will be greater transparency, but my guess is that in five or seven years there will be another crisis based on some other factor that we don't now anticipate."

**OBSERVER** 

# Tea leaves in Jakarta

among the most gruelling and history. The Fund's managers, especially Michel Camdessus, its managing director, are used to seeing their carefully crafted plans fall apart at the first encounter with tinancial markets or economic realities. But the failures in Indonesia have been unusually large – two programmes have collapsed since October, and an unprecedented third began in early April and especially untimely.

struggled to recover from its deepest economic crisis in the postwar period. Worse still, they arose just when the US Congress was deliberating over whether to approve a large increase in the US contribution to the Fund's coffers. With a vote expected later this month, it is still uncertain whether Congress will approve the proposal without tough conditions.

Some Congressional criticism of the

Prond's actions has been cross. But to the Indonesian case, there are legitimate questions about its performance. These are not confined to isolationist naysayers hers. They DO 1186.-0 staunchest supporters, including some in the US administration.

debacle is simple: it was the fault of the indonesians all along. The initial problems had their root in a weak and underregulated banking system, cronycapitalism, and a deteriorating fiscal condition. What is more, the failure of the programmes was also the responsibility of the Indonesians.

Most would agree that the quixotic behaviour of President Suharto and some of his colleagues added to the crisis. But in Washington and Jakarta many observers say there were also three serious

First, and most important, the initial decision to require Indonesia to close a large number of banks was not only ques-

tionable in its own right, it also led to

demoralising in the International Monetary Fund's 53-year

They have unfolded as much of Asia

IMF officials' account of the Indonesian

The first package fell apert in January ofter the amouncement of an unrealistic budget that seemed to ignore many of the prescriptions laid down in the initial agreement. The second collapsed when President Subarto undermined its credibility by sacking the central bank governor, looking seriously into the possibility of establishing a currency board to shore up the battered rupish, and appointing more cronies to his cabinet.

flaws in the Fund's approach.

many of the problems that followed. "That decision," says Jeffrey Sachs, director of the Harvard Institute for International Development, and a flerce critic of the IMF, "led to a cascading set of errors. ill-will and confusion over the next few weeks and months."

The move provoked panic among bank depositors. That created a sudden liquidity squeeze which forced the central bank to pump out money. That in turn led to a monetary explosion which exacerbated the problem of the falling rupish. The Fund, in internal documents (though not in public), has acknowledged that the bank closure decision was a risky one.

Second, even some of the harshest critics of President Subarto say the IMF attached too much emphasis in its early programmes to rooting out crony capitalism. "Sure the governance issue was an important one...but was it really right to make it the forefront of the policy prescriptions?" asks one US observer who was in Jakarta during the negotiations.

Third, the Fund did not give enough attention to the massive overhang of corporate debt. Unlike other countries the nesian problem was this private sector borrowing. With the collapse of the currency, many Indonesian companies were in effect insolvent, weighed down by

The view of senior Fund officials was that the packages would revive the rupish and that the rising currency would eliminate the debt problem. But when the currency failed to respond to the first two packages, the corporate sector debt problem mounted.

In the recent third agreement the private sector debt issue is addressed more directly. "If they had addressed that issue earlier on," says Robert Hormats, a former US State Department senior official now with Goldman Sachs, "it would have been a lot more encouraging."

Whether or not the new package will prove sufficient will become clear in the next few weeks. But its implicit acknowledgement that the earlier efforts failed, not just because of a lack of will on the part of the Indonesians, but because of omissions and errors in the IMF plans themselves, is a timely reminder of the Fund's fallibility.

# Chernobyl threat

managed to persuade the authori- appalling safety record. The ties to close the power generation

tion and Development might, after all, help to complete two newer reactors to replace those at Chernobyl. But that has not resolved the impasse. Of the four reactors on the site, one is a pile of radioactive rubble, buried under concrete. Two are closed, probably beyond

repair. But the fourth could be

re-started within a month or so,

European Bank for Reconstruc-

despite western doubts of its The Ukrainian authorities are using this possibility as their last card in a dangerous game of poker. The west will pay most of the \$750m cost of making the ruined reactor finally safe in its tomb - that is not at issue. But Ukraine wants a further \$1.6bn, much of it to finish two partially completed reactors at different sites. This would be its price for

closing Chernobyl altogether. Superficially this might seem sensible. The Khmelnitsky 2 and Royno 4 reactors are said to be 85 per cent complete. When fin-Ukraine's bill for coal or Chernobyl threat makes the imported gas. But, as two independent reports for the EBRD printed reports pointed out last year, the country would be a bribe too far.

Ukraine, the west has still not which continue to have an country already has more generating capacity than it needs; but The latest report is that the this is badly organised, badly maintained and commercially inept. It collects on only about 7 per cent of its bills in cash, so investment is starved. Servicing nuclear loans in such a system would be a nightmare.

ers do not pay for power, they are profligate with its use. Even moderately sensible pricing and conservation measures could have a big effect in cutting demand to more normal levels. This and the upgrading of existing plant would be much the most sensible strategy.

However, the EBRD, after prompting from the US, is now considering another report which favours the nuclear option. The precise reasons will not be known until it is published. In any case, in an economic system as rickety as Ukraine's westernstyle cost benefit analysis is highly imprecise. Its energy system needs urgent first aid, backed by economic reform. Last summer, the World Bank took a stern line with the country for failing to reform. In this case, the

Twelve years after the nuclear has more urgent needs than disaster at Chernobyl in the adding to its nuclear stations,

Moreover, since most custom-

Bakht to basics

The first public utterance from Signder Bakht, swom in as India's inclustry minister last month, finally waiting to hear whether the new BJP-led government would be hostile to foreign investment: it's STEE WATERLE The octogenarian Bakht spoke at

a forum on consumer goods after a lecture by aminent economist Rakesh Mohan about india's pent-up demand and its dismal output performance. The minister's response? "I must confess that !" eit really confused," he told embled executives, adding that he "can be accused of not being able to absorb" Mohan's remarks.

Beicht did bring a prepared speech, but his extempore comments didn't seem to gel with the ministry bureaucrats' prose. Or maybe the speechwriters were confused as well.

By the time the minister finished, confusion was general. For example, he defended the BJPs long-standing slogen of swedeshi self-reliance - saying: "I am in a hurry-to utilise my Indian market for the Indians." But a few minutes later he insisted that "whatever contributes to growth, revenue and employment will be wholeheartedly welcomed by the government". He was adamant that "figures

don't mean much to me\*, then reeled off statistics about declining

GDP growth before talling

industrialists he hoped to have more meetings with them because "I have a lot to learn from you". Maybe next time the industrialists will learn something in return.

**Tose company** it hasn't taken long for Philip Tose

to find a new perch after Peregrine, his high-flying Hong Kong investment bank, fell to earth. Mark Mobius, the dome-headed nvestment guru who runs Templeton's giant emerging markets fund, has swooped to hire the 52-year-old former racing driver turned stockbroker as a

consultant. Tose will have a brief to develop direct equity transactions, which is likely to prove a big growth area as ravaged regional companies seek write and intermitional investors sift through the wreckage. The two have collaborated

before - Mobius funds held a stake in Peregrine, but bailed out before the crunch came early this year. This time around, Tose's moressive contacts list will prove valuable asset, says Mobius. So, too, will his recent first-hand experience of corporate collapse "He has been through a lot. We

eam from good experiences and

bad experiences," says Mobius.

Tose has had more of the latter lately. Judicial review

The latest obstacle to Brazil's

privatisation programme suggests

there may be truth in the old saving that the country combines the Portuguese obsession for bureaucracy with the Italian fiair for political intrigue.

On Tuesday night, Amador da Cunha Bueno, vice-president of the state Tribunal of Justice, accepted a legal complaint by the trade union at São Paulo electricity company Metropolitana and Issued

an injunction stopping its sale. On Wednesday, court president Dirceu de Mello sent his own man along to the stock exchange to say that the auction could proceed: he ruled that the injunction had not been properly registered. Amador promptly annulled the auction, and the two eminent jurists called simultaneous press conferences to

ustify their positions. The legal fine points are to be settled by the Supreme Tribunal of Justice in Brasilia. But government officials say Amador has links with Paulo Maluf, the leading challenger to governor Mario Covas in October's state elections.

A successful privatisation would enhance Covas's reputation and bring much-needed cash into the state coffers before the poll.

#### Ageless

keep their age a secret, but there was always some mystery over exactly when Pol Pot was born. After yesterday's announcement of his death, commentators worried over whether he was 73 or 71. Thais think they know the

Few mass-murderers manage to

answer. The country's fortnightly lottery draw was yesterday, and

#### Well connected

Egypt's transformation from command economy to shareholder power has netted its most Bustrious adherent with the revelation that Fifi Abdou, the country's most famous belly dancer, has taken a significant stake in an oil company.

The shimmering stage and screen turnmy-shaker is said to be one of Egypt's wealthiest citizens, and her powerful political connections are fond of portraving her rags-to-riches story as an example to one and all.

The name of the oil company has been kept secret, possibly for fear of a backlash from Islamist puritans who regard belly dancing with as much affection as alcoholic beverages. There are now rumours of a rush

perhaps in the hope of seeing the glamorous investor if she ever decides to visit her new toys.

of applications for oil rig work,

#### Surreal money

Belgium issued a new 500-franc banknote - about \$13 - vesterday featuring the picture of the nation's most famous painter, Réné Magritte. So whose idea was it to put a surrealist on the last new banknote to be issued in Belgium before the dawn of the European single currency?

Ginancial Times 50 years ago

Mursinali Ald Launched Paris, April 16. The European side of the Marshall Aid programme was launched officially in Paris to-day, when Foreign Ministers of the 16 participating nations and the Altied Commanders of the Western zones of Germany signed the Charter of the Permanent Organisation for

European Recovery at the French Foreign Office. One of the two main tasks of the Permanent Organisation will be to examine and revise the import programmes of the signatories within the European Recovery Act and to transmit them to the American Administrator and also to supervise the allocation of

Gold Boom At Paris

Parls, April 16, On the black market for banknotes the boom, which has already lasted for several days, to-day made further headway and extended to the free gold market. The dollar note rose to Frs390 from Frs379, a new all-time high. compared with Frs305 on the free market, and the official fixed rate of Frs214. The pound note soared to Frs910 from Frs890 - a premium of almost 6 per cent over the official rate of Frs864. Its gain since the end of February is Frs150, or around 20

per cent.

swissair 🖑 the refreshing cirtine

### THE LEX COLUMN

# Expensive credit

Are shareholders right to be excited by Credito Italiano's merger with Unicredito? The potential is clear enough: a strong foothold in the wealthy north and synergies between savings and asset management organisations, Less compelling. though, is the price of around 2% times Unicredito's book value. Most of the recent deals in Italy have been in the 1.7 - 2.2 range. Moreover, Unicredito's return on equity is a miserly 5 per cent.

Partly the price reflects the huge rally in Italian bank prices. Credito's price, for example, is up around 70 per cent this year already. But for deals to be value creating at these prices, Italian banks will have to work much harder in slashing costs. To be fair. Credito's management has shown itself among the more dynamic in Italy. The Rolo acquisition was also a conspicuous success. With the competitive environment set to intensify with the advent of Europe's single currency next year, nothing less than a repeat will do. In this context, the fact that the merged bank will have the largest network in the

country is not encouraging.

Even if Credito can make this deal work, a price of around four times book value puts it well above the European average, which is closer to three. So long as Italian stocks are buoyed by a wall of mutual fund money, investors are unlikely to pay much heed to cavils about valuation. Even so, buying at current prices is a big risk.

#### GKN/Finmeccanica

Another week, another Anglo-Italian defence deal. Finmeccanica is cartainly busy. Allying its Agusta unit with GKN Westland to forge a top-tier helicopter company would mirror its missiles alliance with General Electric Company. Slowly, but surely, cross-border rationalis-ation of a crowded defence industry is

proceeding. But caution is still necessary. Since Finmeccanics is a largely state-owned conglomerate, neither UK company should have high hopes of extracting all available cost savings: that is why Finmeccanica has failed to find a partner for its power business, Ansaldo. True, there will be easy savings for OKN-Agusta through squeezing suppliers and economies of scale in design and marketing. But clos-



ing some of Agusta's seven manufacturing sites - which would be politically dif-ficult - may well be necessary. After all, Westland, with more than twice Agusta's sales and nearly three times its order book, manages with one. Although Westland's military orders have longer lead times than Agusta's civil ones, the UK company's relative leanness does not

seem in question.
If GKN can negotiate terms to reflect its profitability and the political risk it is assuming, a good deal is in the making. A broader product mix will help smooth out the lumpiness of defence orders. And in Agusta's connections with the rival Franco-German Eurocopter alliance may lie the seeds of further fruitful combinations.

Cendant has long wanted to become a "virtual" company, though seeing its shares going up in smoke can hardly be what it had in mind. Their 45 per cent collapse yesterday looks harsh when the accounting irregularities that are to blame will - apparently - knock only around 10 per cent off the marketing group's earnings and less off cash flow. But Candant's rapid rise was built on shaky foundations: a recent merger based on unproven cross-selling gains and a rapid series of largely stock-financed acquisitions. With few physical assets to its name - the "virtual" idea - investors had little to fall back on except their confidence in the management, which has been commenensively shuttered.

CONTENTS

Henry Silverman, chief executive, argues that the cross-marketing concept remains valid and that Cendant will still hit its target of 20 per cent annual earnings growth - merely from a lower base. Mr Silverman's personal record is good and, with luck, the accounting shortfall will be no worse than the first estimate of

\$115m. But it would be rash to bet on that. Meanwhile, Cendant faces further upheaval as Mr Silverman and colleagues from his former company, HFS, take control of merger partner CUC, the source of the profit overstatement. Investors will rightly demand to see heads rolling. But if Mr Silverman is too aggressive, it could become impossible for the two companies to work together, whether or not the idea behind their merger has merit.

Last week's launch of 30-year Treasury inflation-protected securities (or Tips) could prove a turning point for the US index-linked bond market. Such a longdated issue ought to attract a broader range of institutions. Added to the existing 5- and 10-year maturities, it helps provide a complete real yield curve.

Comparing real and nominal yields offers clues to investors' thinking about inflation. The spread between 30-year Tips, yielding 3.75 per cent, and the long bond, at 5.90 per cent, is just 215 basis points. At 10 years it is down to 183 basis points. Even adjusting for the relative illiquidity of Tips, which may mean their vield is higher than it should be, the conclusion is startling; investors expect US inflation to be 2 per cent or less for the next 30 years.

Unsurprisingly, selling Tips during a time of falling inflation has been a bit like selling umbrellas in the desert. Investment bank HSBC notes that since 10-year This were first auctioned in January 1997. their yield has risen from 8.45 to 3.79 per cent. Meanwhile, the yield on 10-year Treasuries has fallen over 100 basis points. But that could be about to change. inflation expectations are now so low it is hard to see them going lower. But real yields are likely to decline in response to improving public finances and the slowing pace of economic growth. Such a combination should see Tips outperforming

# Finance ministers urge IMF to be less secretive

The International Monetary Fund must become less correlive and more accountable to the public, finance ministers said yesterday at the eco-

nomic watchdog's spring meeting.
"The DAF and other international financial institutions have a respon-sibility to make their activities open and transparent as a means of enhancing accountability." Robert Rubin, the US treasury secretary,

told the Fund's interim committee.
"More could be done to dispel the notion of the IMF as a secretive institution," said Mr Rubin, who is under pressure to secure reform from the IMF to persuade Congress it should give the Fund more resources after the Asian turnoil.

He said more reports to the interim committee should be published, along with staff papers on hig Gordon Brown, the UK chancellor,

confidence in the IMF. He said ministers should look

again at establishing a full-time evaluation unit to report to the Fund's shareholders on its performance, which should be made public. The Fund is making greater use of

external evaluation already. The board recently considered a report into its subsidised lending programme for poor countries and another will examine its surveillance of member countries' policies. A unit might follow the model of the World Bank's highly regarded Operations Evaluation Department. In discussing how to improve the Fund's scrutiny of national economic policies, the French and Ger-man finance ministers said it should

countries ignored its advice. The IMF's management is not policy issues and summaries of IMF keep, fearing it could cause the criboard meetings. Access to the IMF's ses it is supposed to prevent. Theo archives should also be improved.

Waigel, the German finance miniskeen, fearing it could cause the criter, accepted this risk. He said that IMF reports, Page 4. said greater openness and transparere over in such a case, the crisis Gystal balls, Page 17 ency by the Fund - which often would most likely be less severe Garrencies, Page 27

be allowed to give public warnings if

preaches these virtues to its member than if the country concerned were countries - would improve public to be forced by the markets to make abrupt adjustments". Dominique Strauss-Kahn, his

French counterpart, said the fund should adopt "a graduated response strategy: it should be able to make early recommendations, and to make them public if governments do not respond".

There was also support among ministers to encourage countries to provide more economic information to the Fund and the public. Mr Rubin said moves towards full compliance with the IMF's data standards could be a condition for IMP financial support.

Having urged Japan to boost its economy in the G7, Mr Rubin turned his attention to Europe: "As Europe moves towards monetary union, it is important that policies in this region be directed at fostering domestic demand led growth, reducing high levels of unemployment, and making Europe more flexible and dynamic.

# Australian dockers' blockade halts work at Toyota car plant

Australian dock workers claimed the first acain of their week-long blockade of the country's ports yesterday when the Japanese carmaker Toyota announced a three-day shutdown of its Melbourne plant.

Toyota Australia said 45 containers of components were stranded on the city's East Swanson Dock, where members of the Maritime Union of Australia have been blocking the entry of trucks and trains.

About 2,000 MUA workers were of the two main stavedore companies in Australia, after a two-year battle over labour reforms. Union members and that aupporters have been picketing ports since the dismissals and arranged . . . unfortunately, some have been involved in violent switch to other sources." clashes with police and non-union contractors. The dispute has been seized on by the government as an ther reforms to industrial relations, John Howard, the Australian prime minister, said the dockers

were entirely responsible for the Association said the bottleneck Toyota shutdown. "It will be the fault of the MUA and it won't be the first time that the activities of that union have cost people their jobs and damaged business," he said. John Coombs, MUA federal secretary, said: "The problem that exists, exists because of the action of the federal government, not because of anything we've done."

One US shipping company warned that the waterfront dispute was jeopardising Australia's meat exports to the United States, Achim Dresdner, sacked last week by Patrick Ltd, one managing director of Columbus of the two main stevedore companies Line, said: "The meat trade to North America is a very significant trade. Buyers are very sensitive and if they do not get their product as

> Liners Shipping Services, which represents more than half the Ltd were unlawful. The company nation's shipping lines, said more has countered by seeking injuncstranded on Australian waterfronts. with Sydney and Malbourne hardes hit. The Australian Peak Shippers

would force employers to lay off

About 2,500 Toyota workers affected by the shutdown next week have been urged to take early annual leave rather than be laid off. "All afforts to have the containers taken off the docks have failed and we are fast running out of parts," Sam Komori, Toyota Australia's president, said.

Rothmans, the tobacco company. described its situation as "desperate" because a cargo of cigarette papers was stranded on a dock. The government, meanwhile, has applied to move a Federal Court case on the mass sackings to the High Court, because it said it raised constitutional questions.

The MUA initiated court action claiming the dismissals by Patrick picket lines.

#### Features Grossword Puzzie ... American News Letters Companies & Finance International News FINANCIAL TIMES Asia-Pacific Name European Company News .... **World Trade News** Asia Pacific Company News ..... Directory of online services American Company News ...... 20,21 via FT Electronic Publishing FT.com: the Financial Times was alte. Markets The Archive: online prohive of back issues Short term interest rates Money markets FT/S&P-A World Indices Norld stock tsarkets recorts ecounts of 1200 UK pice Mariel stack market Baticas. London states sarvice Mylline: how to get ahery prices and me-FTSE Actuaties UK ahere indice at reports by telephone and faotback. Devid Trimble predicted his party's ruling council ow back the Northern Ireland peace agreement. Page 7

#### **Europe today** stay unsettled. France, western Germany, the Low Countries and northern italy are likely to have thunderstorms. Denmark and mostly dry and bright with laciated showers. Much of eastern Europe vill be wet. The Nordic countr will have sleet and mountain snow which will gradually be replaced by rain or showers from the south. Northern Finland will stay fine. ranean will stay fine and warm. Five-day forecast ze wili move eastwards

from central to eastern Europe over the weekend, bringing rain to most parts. This will be followed by a rise in pressure over the rranean, bringing dry, wern Mediterranean will become and more unsettled.



TODAY'S TEMPERATURES

Lufthansa

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Metra
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Alanchester
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Summer brings New York temperatures of 100° and high humidity, Without air conditioning, life would become unbearable. But what if the air conditioning plant itself can't take the heat?

The commonest cause of failure is refrigerant leakage. As cooling water and the refrigerant circulate through alternate plates of the heat exchanger to effect heat transfer, the plate connection ports are most prone to leaking. Forsheda Polymer Engineering has come up with the answer: polychloroprene and hydrogenated nimile rubber port seals that are leak-tight, completely sealing the refrigerant within the unit. Thanks to Forsheda, New Yorkers can now keep their cool in the most sizzling Summers, Forsheda Polymer Engineering is one of II Group's four specialised engineering businesses, the others being John Crane, Bundy and Dowty. Each one is technological and market leader in its field. Together their specialist skills enable TI Group to get the critical answers right for its customers. Worldwide,



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FINANCIAL TIMES

# **COMPANIES & MARKETS**

FRIDAY APRIL 17 1998



Tech Data strengthens position Tech Data's acquisition of Computer 2000, the

German computer business, has brought the unglamorous world of computer reselling into the limelight. The deal, in which the US group takes an 80 per cent stake valued at \$395m in Computer 2000, creates a group that will supply around 150,000 computer resellers in 45 countries, with sales of almost \$12bn. Page 21

Financial shake-ups in S Africa The financial services industry in South Africa has begun a series of mergers, bids and international acquisitions. Boardrooms are awash with talk of synergy, rationalisation and shareholder value and industry executives foresee more deals before the upheevals end. Page 22

Australian wheat body sees changes The Australian Wheat Board is undergoing drastic changes that will see it cease being a statutory body in July next year and convert to a commercial enterprise. The country's monopoly grains exporter is closing offices and cutting staff in its most dramatic reorganisation since deregulation of the sector began over 10 years ago. Page 28

Turkey launches Isbank offering The on-off privatisation programme in Turkey, which has been dogged by political uncertainty, was given a boost when the government launched the public sale of its 12.3 per cent stake in Turkiye is Bankesi (Isbank), the country's main privately owned benking group. Page 28

Buenos Aires given benefit of doubt Argentina's rising trade deficit was flagged as an area of serious concern by an IMF mission that left Buenos Aires last week. However, finance minieters have politely refused the IMF's detailed advice on how to cool the economy, saying the deficit was a healthy one. Investors seem willing to give them the benefit of the doubt. Page 38

Pulp sector bullish on prices Wood pulp prices have bottomed and are likely to increase from \$550 a tonne to \$600 a tonne following a sharper than expected fall in stocks in March, according to producers and industry anelysts. Pulp prices have remained under pressure because of a rise in excess stocks. Page 28

Aluminium leaders at odds

Two of the world's big aluminium producers were at odds about whether the time was right to restart production capacity shut down since 1994. Reynolds Metals of the US said it would restart its remaining 130,000 tonnes of capacity at smelters in New York and Oregon later this year. But Alcan, the Canadian group, said it would only reactivate its 130,000 tonnes of idle capacity when London Metal Exchange stocks fell substantially. Page 28

N American rail groups in link-up freight group, announced a 15-year marketing link-up with two US carriers, creating a network from Canada to Mexico. The group will compete with huge carriers such as Union Pacific. Page 21

#### COMPANIES IN THIS ISSUE 7-Beven

ABB insummor

ANZ

ATV

Abea

Aguarte

Eurocopter

**FirstPand** Ford Motor

Full Bank

FTSE Gold Mitnes Index

GEC

22 General Cable

Hughes Electronics

21

22

| Arms-Serono       | 200 | MAS .                 |
|-------------------|-----|-----------------------|
| Arriva .          | 25  | Mattini               |
| Apphi Chemical    | 24  | Mayben-UBS            |
| Bank of Kinki     | 6   | Microsoft             |
| BankSoston        | 21  |                       |
| Bei               | 23  | Old Mutter            |
| Boeing            | 23  | Olympus Optical       |
| CIB               | 22  | P&O                   |
|                   | -   | PolyGram              |
| CN Rail           | 21  | Premier Famell        |
| Candant           | 1   | FAME Holdings         |
| Cera Sanit        | 22  | Reynokis Metals       |
| Compaq Computer   | 21  | Ployal & Sun Alliance |
| Computer 2000     | 21  | Santem                |
| Credit Sulsee     | 23  | Serve Bank            |
| Credito Italiano  |     | Sikorsky              |
| Deimler-Benz      |     | Stanble               |
| Deminor           | 22  | Sumitomo Bank         |
| Digital Equipment | 21  | Tech Data             |
| raftet minkuteur  |     |                       |
|                   | 22  | Toyota                |
| Ékran             | 24  | -                     |
|                   |     | Toys R Us             |

CROSSWORD, Page 28

6 Virgin

LICS Films

Unicredito

### MARKET STATISTICS

Minoral reports service 32.33 FTSE Actuaries share indicar 34 26 Foreign auchangs Chreark Govt bonds Gitta prices Bond futures and options London share service Bond prices and yields 28 Managed funds service adilias oricas 25 Money markets Disidentis armounced, UK New Inti bond issued Recent issues, UK Euroboard arrices 26 Short-term int rates bed interest indices FIASAP-A World indices

Stock markets at a glence 25 Stock markets at a gradual state of the control of the control

World stock markets succumbed to profit-taking yesterday as disappointment at the outcome of the Washington meeting of finance ministers from the group of seven leading industrial countries combined with

become stretched. In Asia, the Nikkel 225 average fell more than 400 points, and dropped below 16,000, as the G7 failed to produce a plan for concerted intervention to support the Japanese cur-

Meanwhile, the Malaysian Dow Jones Industrial Average per cent and 3 per cent respectively on disappointing corporate news.

Asia's weakness passed on to Europe, where the FTSE 100 index briefly dropped below the 6,000 level, as banking which have been phenome-stocks retreated. The Footsie nally strong this year, were rose by more than 15 per cent in the first quarter of the year but has dropped on each of the Paris and Frankfurt markons past three days and in five of the past six trading sessions.

and Korean markets dipped 2.4 passed 9,100 and weaker than

Many European markets, nally strong this year, were weak in the face of the falls in Asia and on Wall Street. The dropped by 1 per cent; Zurich

Landon stacks, Page 34 with profit-taking setting in

# Italian banks to merge ahead of Emu

and Clay Harris in Loadon

Agreement would create country's largest commercial branch network

Credito Italiano, one of Italy's leading commercial banking groups, yesterday announced plans to merge with the savings federation Unicredito in a deal that would create the country's largest commercial ank in terms of branches. The new bank would have

some 2,700 outlets and would be Italy's second largest bank in terms of customer deposits. The planned merger is one of the most important signs of consolidation in Italian banking as the country approaches

economic and monetary union next year. It would create a bank with total assets of roughly L300,000bn (\$168bn), bringing it into the top 25 in Europe, and an estimated market value of more than \$25bn. Andrea Orcel of Merrill

bank which advised both sides, said: "In terms of market capitalisation, they've jumped from nowhere to the top 15 in

This would give the bank sufficient size to discuss future

cross-border deals from a position of parity, he said. Italians have been concerned that their fragmented banking industry could make easy pickings for larger European banks.

The announcement came as a surprise given recent speculation that Credito Italiano Lynch, the US investment was considering a merger with the IMI-San Paolo bank or contemplating becoming a core shareholder in the soon-to-be privatised Banca Nazionale di Lavoro.

Unicredito, an unlisted

group with strong roots in northern Italy, had hitherto in 1983, is widely regarded as been considering flotation on one of the most successful the Milan stock market, Credito Italiano's share price

rose by nearly 9 per cent yes- LASO.Sbn. Unicredito. which terday after the merger agree-ment that came within a week of its first approach to Unicre-

Under the proposal Credito Italiano shareholders would end up with roughly 59 per while Unicredito shareholders would have 41 per cent.

areas such as asset management Credito Italiano, privatised The deal is the largest merger outside the US for which Merrill has ever acted

as an adviser. commercial banks in Italy. Its In recent weeks, Medionet profits for 1997 were banca, the normally secretive institution at the centre of had net profits last year of L410.5bn, is owned by four foundations. It controls three complex business alliances. announced a three-year plan to regional banks and has minority participation in others.

Both banks say there will be that. Banco Ambrosiano Venconsiderable synergy created eto announced plans to mente

with the Cariplo savings bank.

oped considerable expertise in

costs and revenues. Credito Lex, Page 18 Italiano claims to have devel-

FIGURES OMIT COST OF EMPLOYEE STOCK OPTIONS SAYS REPORT

# Discrepancy over US companies' profits

The profits of US companies have been overstated substan- profits. tially because of a failure to reflect the cost of granting stock options to employees, according to a new report.

Smithers & Co, a Londonbased research group, has recalculated the profits of 100 of the largest US listed corptheir profits abould have been runs Berkshire Hathaway. 80 per cent lower than reported in 1995 and 36 per cent lower in 1996.

because the cost of granting charged against the profit and loss account. However, the

How profits get distorted

Proff to amployees from generals of stock on

Total Income of equipment

ruft shown in P&L account

ncrease in net worth

rate taxes which arise from option schemes are taken as According to Smithers, stock

option schemes are effectively part of employees' compensation and are thus part of a company's costs and should be charged against profits. Con-ventional accounting has been attacked by Warren Buffett, orations and estimates that the US investment guru who "Earnings have been over-

stated because companies have followed the standard - but, in The discrepancy arises our view, dead wrong accounting practice of ignoroptions to employees is not ing the cost to a business of issuing options," he said in his 1997 chairman's letter. Compa-

options (a call gives the right to buy) on their own stock without receiving any consideration. They could hedge this risk by buying call options themselves and charging the cost to the profit and loss account. Smithers estimates this recurring cost would be equal to around 21 per cent of annual profits.

It adds that the income received by employees from option schemes may not be fully reflected in the US national accounts. "In recent years, incomes from employment have probably been rising by around 2-3 per cent per annum faster than the published figure. It is thus likely that official data have been underestimating the rise in inflationary pressures in the

The report argues that this overstatement of profits has made no difference to the aggregate overvaluation of the riock market. However, it does affect the relative valuation of individual companies.

It cites a number of companies - Bristol Myers Squibb, Cisco Systems, Dell, Eli Lilly, Hewlett-Packard, Intel, Microsoft, Monsanto, Texas Instruments. Time Warner and Unocal - that would have reported losses in 1996 had the full cost of stock options been allowed

USA: The Impact of Employee Stock Options by Daniel Mur-ray, Andrew Smithers and John Emerson of Robson Rhodes, produced by Smithers & Co, 20 St Dunstan's Hill,



through the merger in terms of

## Ford overtakes forecast

Dy Wildel Teld in Chicago

Strong earnings growth from Europe and continued cost reductions helped Ford Motor Company beat market expectations yesterday with a 13 per cent rise in first-quarter profits to \$1.760 efter tex.

The Detroit-based carmaker, which made \$1.5bn in the first quarter of 1997, said the result which does not include the one-off gain on the spin-off of its Associates First Capital unit - reflected a solid performance in the US, coupled with sharply improved results from Europe in spite of intense price

Results from South America were also slightly better than expected, although operations remained in the red.

John Devine, finance director, said the impact of the Asian turmoli had "not been ibstantial yet", although he was a continuing concern.

lower in US dollar terms, at \$36.5bn (\$37.3bn), but Mr year.

What desired this largely with the company of the underlying volumes rose

The result translated into sarnings per share of \$1.36 exceeding analysts' forecasts, which had averaged about \$1.34, according to the First Call research company. Ford is the second of the US automakers to outstrip Wall Street expectations in the latest quarter, following Chrysler's record first-quarter result last week. General Motors, the largest of Detroit 2 big three carmakers,

is the to report today.

Automotive operations at Ford earned \$1.24bp in the first quarter, up 23 per cent against last year. The US results were flat at \$1bn and market share

said the Japanese situation essed to 24.5 per cent (25.1 per cent), but Ford continued to Sales for the quarter were post a 5 per cent return on

reflected currency movements, had no imminent plans to notably in Europe where match GM's recently announced interest in vehicle rebates, but conceded there was likely to be upward pressure on marketing costs.

In Europe, Ford made \$230m. ume gains and cost reductions. Demand was stronger than expected and Ford expects this to continue. However, Alex Trotman, chairman, said competition remained acute industry volumes were strong. but intense price competition had not abated.

In South America, losses eased to \$45m (\$47m), with the Brazilian business reporting slightly better than expected

# PolyGram to launch bonds backed by film cashflows

PolyGram, the Dutch entertainment group, is raising \$650m by selling bonds backed by the cashflows of the bulk of the films it produces over the

next three years.

Its production schedule includes a film with the working title Notting Hill, starring Julia Roberts and Hugh Grant, and a Thunderbirds movie based on the cult science flotion puppet show.

It is understood that the cost of funding the honds will be marginally higher than Poly-Gram would have to pay if it raised debt through its existing bank facilities.

But this structure has a big advantage in that the financing is totally off balance sheet, freeing capital for other parts of group business. Moreover, if the films floo, the lenders have no recourse to PulyGram. The group has created a

vehicle called Granite Invest-

equity through the US commercial paper market. The bonds are expected to get an investment grade rating. They will be backed by the global revenues from films produced during the three-year period, including box office receipts, video sales and any

merchandising. The deal has been put together by Citibank. The structure has been successful in the US, where 20th Century Fox and Universal Pictures raised more than \$1hn each to fund production.

It is a big move for Poly-Gram, a new kid on the Hollywood block. In the early 1990s, it became the first European group to try to take on the large US studios other than by

buying one of them. The deal shows the confidence of the capital markets in PolyGram's film industry strategy," said Michael Storm, head of securitisation in Europe at Citibank.

implicitly valuing the film division at less than its invest ment cost, currently well over \$1bn. This has driven Poly-Gram's substantial under performance on the Dutch stock market

The film division has had several successes, notably Fargo and Trainspotting, but it is not projected to break even motil: 1990

The securitisation issue will mable the business to become more self-financing until it becomes profitable. The deal has been underwritten by a core group of banks. It will close in a few weeks.

PolyGram is the latest in a growing line of entertainment businesses to use securitisation as a means of gaining relatively cheap capital to fund investment in a notoriously volatile industry. In Europe, the Cecchi Gori

group recently sold bonds backed by the revenues from

## Acquisition by Motorcycle City of West Country APS chain Motorcycle City The UK's number one motorcycle dealership Electra Fleming led the management buy-out of Motorcycle City in 1997 and has provided further finance for the APS acquisition. ELECTRA FLEMING Electra Fleming Limited 65 Kingsway Regulated by IMRO International Private Equity-London WC2B 6QT Tel +44 171 831 6464 Fax+44 171 404 5388

# Stock markets fall worldwide

By Philip Coggan in Landon

some fears that valuations had

Wall Street opened weaker,

expected profits from Merck, the pharmaceuticals giant. The Dow was 81.21 points weaker

lost 1.5 per cent.

merk abote, Page 28 after the recent rise in the

# Alcan shrugs off loss in Asia-Pacific

By Scott Morrison in Toronto

Stronger sales in Europe and the US offset weak demand in Asia, enabling Alcan Aluminium. the Canadian producer, to post first-quarter earnings of US\$128m, or 55 cents a share.

Net earnings fell to \$117m including an after-tax charge of \$11m. That compares with earnings of \$107m, or 46 cents a share, excluding a \$36m special gain, a year

The company said revenues in the first quarter this year rose from \$1.87bn in 1997 to \$1.95bn. The results were slightly

above analysts' expectations. Net income from European operations doubled over last year to \$24m, while US income rose from \$26m to owing to lower market \$31m. The company posted a \$6m loss in Asia-Pacific, compared with income of chemicals were up sharply

Lower production costs and strong demand for fabricated products allowed the company to post improved operating earnings despite lower metals prices.



Jacques Bougie: weakness in prices is feeding through

First-quarter operating Europe and the US. income for primary products fell from \$166m to \$130m prices for ingot, while earnings from raw materials and from \$8m to \$39m a year

Income from fabricated products rose from \$65m to \$76m, reflecting substantially higher volumes and

improved profit margins in

Jacques Bougie, Alcan chief executive, warned that prices had started to flow through to some fabricated products, and that continuing difficult business condins in Japan would lead to further restructuring costs at Nippon Light Metal, 46 per cent owned by Alcan.

# Merck ahead 14% in first quarter

pharmaceuticals company, ble effects of inflation, net of yesterday reported first-\$1.16bn, up 14 per cent from the 1997 period, driven by volume gains in established

Earnings per share of 95 from the previous year and in line with analysts' estimates. Sales for the quarter rose 9 per cent to \$6.1bm.

"Both our domestic and international operations

executive. "The unfavouraprice, and exchange were partially offset by cost controls and productivity improvements in manufacturing, selling and general administrative

The strong dollar knocked two percentage points off first-quarter sales growth. 25 per cent of the total, compared with 29 per cent a year

By Tracy Configure in New York gains," said Raymond Gil- underlying growth of some martin, chairman and chief key drugs was disappointing. The revenue growth of some key products was below expectations," said Hemant Shah, an analyst at

pharmaceuticals specialist HKS. He said the growth rate of Zocor, Merck's cholesterol-lowering medicine, had slowed, and the revenues from Propecia, the newly launched baldness tablet. were disappointing. He was Sales outside the US fell to also concerned about the underlying growth of Vasotec, the ACE inhibitor, for the treatment of high blood

Merck said that Zocor "continues its strong volume growth and continues to be the most widely used cholesterol-lowering medicine

worldwide". Zocor and Mevacor, Merck's other cholesterollowering medicine, hold more than 40 per cent of the market. The cholesterollowering market continues to grow at more than 20 per cent a year but is becoming result of new entrants.

Mr Shah said: "Merck's do well in the year 2000 and market.

expirations. He suggested that the next few quarters will be closely watched on Wall Street.

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As well as Propecia, the first tablet to treat male pattern baldness, launched in the US in January, Merck introduced Singular, its new once-a-day tablet for controlling chronic asthma in adults and children over six, in the US in March. Analysis increasingly competitive as a said it was too early to gauge its reception.

Merck shares fell 3 per newer products will have to cent to \$11918 in a weak

# Texas warns of weakness in chip sales

k Sa hada

Texas Instruments reported a 28 per cent jump in firstquarter earnings, before special charges, but the US chipmaker warned that weakness in the world semiconductor market would hold down sales and earnings in the second quarter. Net income for the quarter, before charges, was

marily the result of a rise in

compared with 35 cents last Including special charges the loss from operations was of \$17km a year ago. Net

income was \$11m, or 3 cents a share, compared with \$102m, or 26 cents. included special charges of \$244m, most of which was \$176m\_ up from \$138m a year ago. The increase was pridecision to end a memory

interest income. Earnings Japan by purchasing the operating assets. Last year's first-quarter per share were 44 cents, results included a restructur-

> Revenues for the first quarter were \$2.2bn, compared with \$2.3bn last time. The year ago figure included revenues from businesses that have since been sold. Excluding these, revenues

TI said sales of its flagship related to the company's digital signal processor chips, used in communica-

puter graphics applications, world semiconductor market were up from a year ago. to grow by only about 5 per However, revenues from cent or less in 1998. This was memory chips dropped sharply due to a 60 per cent fall in prices over the year. Losses from Ti's memory

chip business more than doubled, compared with a year ago, to \$129m. Semiconductor sales were also depressed by economic turmoil in Asia and moves by personal computer manufacturers to reduce component

down from the industry's typical growth pattern of about 15 per cent a year. However, demand in the

US remained relatively healthy and the European market was strong, 'Il said.' with possible stabilisation in the Asia-Pacific region, could set the stage for stronger semiconductor growth in 1999 and beyond," the com-

We build for smaller tenants, too.



HOCHTIEF thinks in large categories but not exclusively. As one of Europe's top construction and engineering companies with worldwide operations, HOCHTIEF is aiming to become a system leader for designing, financing, building and operating airports.

One example is the new Athens airport which - upon completion in 2001 - will also be operated by a consortium led by HOCHTIEF for 25 years. HOCHTIEF's special expertise and service capabilities are also being applied on a smaller scale: the company is building a wide range of residential properties.

HOCHTIEF is part of the performance profiles of the RWE Group. We at RWE have been using our financial resources and expertise to build a first class portfolio of subsidiaries that promises continued solid performance in the future. It also includes other well known names such as Heidelberg, a market leader in high-tech printing systems, and CONDEA, which ranks among the foremost producers of base chemicals for detergents and cosmetics worldwide.

Carefully shaping our portfolio, we are focusing on companies that are among the leaders in their respective fields. And we are committing resources to future-oriented technologies such as telecommunications. Our portfolio is solid and dynamic.

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RWE Energie, Rheinbraun, RWE-DEA, RWE Entsorgung, LAHMEYER, RWE Telliance, HOCHTIEF The Group That Knows How.

Gillette lifts payout as sales climb to record

Gillette, the US shaving early trading amid a market products maker, reported record first-quarter sales and a 6 per cent increase in profits, in line with expectations, Reuters reports from New York. It also increased its common stock dividend by 19 per cent in anticipation of strong new product perfor-

mance in 1998. Sales for the quarter to end of March were \$2.02bn, up 6 per cent over a year earlier. First-quarter net income was \$268m, up 14 per cent from the previous veer's \$236m.

ess during the quarter.

However, the group said sales and profits at its Duracell battery business were substantially higher than in the same period of the previous year.

Sales of Braun Products grew moderately in the first quarter, but profits there rose sharply.

However, Gillette shares fell sharply after the news. failing as much as \$5 in shave.

decline. By early afternoon the shares were recovering, Earlier this week, Gillette

launched a new, three-blade razor which it hopes will capture a 25-30 per cent market share for wet-razors. becoming the world's leading seller.

Gillette is spending \$1bn on the new product, called Mach3, including \$300m on a worldwide marketing campaign over the next 18 months.

The Mach3 is critical to The results came despite a Gillette, which dominates year-on-year decline in sales the world market for wetand profits at the company's shave products. Its Sensor ago has a 70 per cent world market share, but sales have flattened recently after achleving double-digit growth.

The company spent \$750m on manufacturing systems to make the Mach3 and \$200m on research and development

It is the first razor to be equipped with three blades, which Gillette claims gives an unprecedentedly close

# Cominco and Marubeni close \$250m deal

By Sally Bowen in Line

Cominco of Canada and Japan's Marubeni Corporation have closed a \$250m debt financing deal for the expansion of the Cajamarquilla zinc refinery near Lima, which will make it one of the world's largest and most efficient.

It will take refining capacity from 100,000 tonnes to

Cajamarquilla's location close to the central highway and railroad, which transport the bulk of minerals concentrates from Peru's national prices. Production main mining zone, also makes it one of the lowestcost refineries

The fixed capital cost of the expansion is \$350m. Commercial lenders brought together by Citicorp Securities and Bank of Montreal will provide \$120m repayable former Centromin complex over 10 years and Canada's Export Development Corporation will put up \$80m over 12% years under a term loan facility. Peru's Banco de Credito will provide \$50m for working capital

Part of the new loan will refinance about \$44m of original acquisition debt. Cominco, which owns 82 per cent of the local operation, and Marubeni will guarantee the ioan until project's completion, due within 36 months of the loan closure.

Cajamarquilla is important to Cominco. The November 1994 acquisition at a privatisation auction of the former state-owned property made the Vancouverbased company the third largest zinc refiner in the

world. It is already the largest global miner of zinc, because of its Red Dog mine in Alaska

Cominco forecasts that demand for zinc will increase at about 2 per cent a year. "We foresaw that nand was, before too long, going to exceed supply," says Kieran Metcalfe, general manager at Cajamar-quilla. "The Asian hiccup may push that moment back for a couple of years, but it will still happen.

Peruvian zinc output has

surged on the back of interexpanded last year by 13.8 per cent to 722,100m tonnes. Four-fifths of Peruvian production is exported in the form of concentrates. Cajamarquilla purchases about 12 per cent of output for refining. MetalOroya - the now majority-owned and operated by Doe Run of the US - is Peru's only other zinc refinery, producing some 70,000 tonnes a year.

Cajamarquilla purchases zinc from a wide variety of local mines. It has looked at buying a stake in Cerro de Pasco, the huge Centrominowned zinc mine in the central Andes. But chronic delays in getting the property to auction, and doubts over reserves levels have put

back that project.

Meanwhile, the Canadians are working with partners on the Bongara zinc mining project close to the Ecuadorean border. They also have about 13 per cent of El Brotcal, a promising and largely unexplored Peruvian mine.

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COMPUTER RESELLING COMPUTER 2000 PURCHASE FULFILS STRATEGY OF GAINING A PRESENCE IN EUROPE

# Tech Data consolidates position

By Christopher Price in Jan Francisco

The acquisition this week of Computer 2000, the German computer reselling into the

The deal, in which Tech Data will take an 80 per cent stake valued at \$395m in Computer 2000, reinforces the group's position as the second biggest reseller in the

Computer resellers distribute computer and computer products to retailers and direct to companies, together with associated services such as credit, consultancy and after-sales support. Tech Data is now quickly

closing the gap on market leader Ingram Micro, which is focused primarily on the US computer market The new group will supply

around 150,000 computer resellers in 45 countries, with sales of almost \$12hn and net income of some

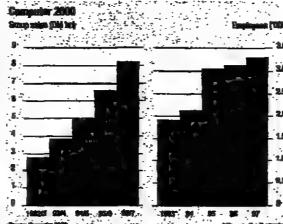
For Tech Data, the purchase fulfils its strategy of gaining a presence in some important markets, not least in Europe, where Computer computer business, by Tech 2000 is the largest operator.

Data of the US, has brought Among the other areas of the unglamorous world of interest for the US group is Latin America, where Computer 2000 has subsidiaries in Argentina, Chile, Uruguay and Peru

Tech Data sees the region as a key market for the next CENTURY

"This deal gives us a dramatic advantage in the global marketplace," says Steven Raymund, chairman and chief executive of Tech Data. "It is a major milestone for the group and greatly strengthens our presence in our target markets."

Tech Data was petablished in 1974 by Mr Raymund's father, working out of a small store in Clearwater, Florida. Organic growth led to sales of \$2m by 1983, when the company decided to move into distribution just as the personal computer market was becoming estab-



Ten years later, sales had jumped to almost \$150, and the company had expended its reselling business to offer services, including technical

support, credit, training and It had also joined the Nasdag stock market, where it is currently valued at \$3.3hp. In the year to January 31, 1996, sales rose 58 per cent over the previous year, to \$7.1bn, while net income

per cent of the estimated \$45hn a year US micro-computer distribution market. according to MSI, the US market research group. Ingram, the market leader, has 26 per cent, while in third place is Merisel, with

Tech Data has around 13

into Europe in as many

In 1995, it bought a small French distributor, which was followed last year by the acquisition of Germany's fourth largest reseller,

This second purchase took the proportion of Tech Data's overseas revenues from 13 to 20 per cent. Computer 2000 is likely to increase that figure to more than 50 per cent.

However, Tech Data said yesterday that because of the overlap of the two German husinesses, the future of Macrotron had not been decided, although a disposal was a possibility.

The deal involves the issue

of \$300m of convertible loan notes, together with 2.2m shares to Computer 2000's parent, Viag, the German conglomerate.

However, the agreem also ring-fences Tech Data from the problems facing Computer 2000's US busi-The Computer 2000 deal is gies, which has being expertine Tech Data third foray iencing financial difficulties.

and forest products. It will

be able, for instance, to offer

single-price service for mov-

ing vehicles from plants in

Ontario and Michigan to

it will also give Canadian

National access for the first

time to the growing Mexican

Since the conclusion of the

North American free trade

across the Canada-US border

has been growing at about 11

Kansas City and Dalias.

market.

### Digital's revenues fall ahead of merger

Digital Equipment yesterday reported a 4 per cent decline in third-quarter revenues to \$3.2bm as a result of currency effects and customer "hesitation" over the computer group's planned takeover by Compaq Computer. Net income rose from 51m, or 27 cents a share, to \$307m, or \$1.99. That

included a \$201m after-tax gain from the sale of Digital's network products business to Cabletron Systems. Net income from continuing operations amounted to \$106m, or 65 cents a share, well ahead of analysts' forecasts of 46 cents a share.

The company said this was largely because of good sales growth for its Windows NT Intel-based servers and its Alpha computer product range, as well as improved

Product sales declined 11 per cent to \$1.7bn, partly because of the sale of the network products division. at constant exchange rates, sales rose slightly.

Revenues from the service business increased marginally to \$1.5bn, though at constant rates the rise was 9 per cent. Most of the sales growth was attributed to the US and Europe.

South-east Asian sales declined by 5 per cent and the company said the outlook for the region continued to be poor. Sales of the Windows NT Intel-based servers rose 43 per cent, while Digi-tal's Unix AlphaServer range increased 11 per cent.

Robert Palmer, chairman and chief executive, said the group's performance had been encouraging "in an environment of continued problems in the Asian economy, a strong US dollar worldwide, and an understandable, temporary hesitation by customers after our agreement to merge with

Compaq was announced."
Digital said it expected the deal to be completed within the next three months.

**NEWS DIGEST** 

ALUMINIUM

### **Reynolds Metals** beats forecasts

Reynolds Metals, the second largest aluminium producer in the US, yesterday reported a sharp improvement in firstquarter profits to \$58m, compared with \$43m previously, spite a small fall in revenues from \$1.62bn a year ago to \$1.53bn. The company said the underlying improvement was even greater, since the 1997 quarter had been boosted by asset sale proceeds of \$23m. Earnings per share from underlying operations rose from 27 cents to 78 cents - easily beating analysts' expectations of around 72 cents.

The company said shipments totalled 362,000 metric tonnes, compared with 390,000 tonnes a year ago. Excluding disposals, revenues and shipments were up by 4 per cent and 9 per cent respectively. It attributed the better-than-expected results to increased sales volumes, lower conversion costs in ongoing operations, and lower head office and interest expenses, it said that higher prices for fabricated products had been partially offset by a lower price for primary aluminlum, but forecast continued strong demand in the aluminium market. Nikki Talt, Chicago See Commodities

BANKBOSTON

#### **Boost from emerging markets**

BankBoston's first-quarter net income rose 24 per cent as the bank focused on highly profitable businesses, such as emerging markets operations. The company continued its expansion in Latin America, adding 45 new branches in Argentina and eight in Brazil. BankBoston has also announced the purchase

of OCA, the largest credit card company in Uruguay.

BankBoston has cut costs through joint ventures with other banks to achieve economies of scale, in the first quarter the bank completed its planned credit card venture with Bank of Montreel and First Annapolls, and merged its stock transfer subsidiary, Boston Equiserve, with First Chicago NBD. As part of its refocusing effort, the group sold its 26 per cent stake in the mortgage banking company HomeSide for \$165m. Net income for the first quarter was \$238m or \$1.58 cents a share, compared to \$207m, or \$1.27, last year. Return on equity was 21.3 per cent and return on assets was 1,39 per cent. Viotoria Griffith, Boston

ELECTRONICS

#### Hughes advances 26%

Hughes Electronics, the electronics subsidiary of General Motors, yesterday reported a sharp improvement in first quarter earnings for 1998, with revenues rising by 26.1 per cent, to \$1,29bn, and after-tax profits rising to \$53.7m, compared with \$23.9m in the same period a year certier. Earnings per share were 13 cents compared with a pro forms 6 cents in 1997. Analysts' forecasts had everaged around 9 cents a share, according to First Call.

The company, now shorn of its defence business, said there had been growth in all four large business areas, with the "direct-to-home" broadcast division showing record subscriber growth and a 64.5 per cent increase in revenues, as well as cutting its operating loss from \$67.5m to \$31.6m. The satellite services and manufacturing operations also posted higher profits, at \$85.7m and \$55.1m respectively. The network systems division saw a small revenue gain. Nikki Tait

# US toymakers hit by troubles at Toys R Us groups in link-up

Mattel and Hasbro, the two leading US toymakers, were hit by problems at Toys R Us and the strong dollar in the first quarter. But Mattel, the biggest, still managed to increase profits.

Toys R Us suffered unexpectedly weak profits over the Christmas season and responded with a costcutting campaign that included efforts to reduce inventories in its US stores.

For Mattel, the move resulted in a sharp decline in shipments of its Barbie dolls. wiping \$40m off revenues. But most other lines were unaffected, and Mattel's overall sales rose from 9894m to \$705m in apite of the strong dollar.

Net profits were \$10.7m growth of at least 15 per came compared with the prior for the year," she said. year's loss of \$207m after a restructuring charge that by the problems at Toys R accompanied the acquisition of Tyco Toys. Without the

Underlying earnings per share rose from 0.1 cent last year to 4 cents, a cent ahead of expectations.

about \$2.7m.

Jill Barad, chairman and chief executive, said although Barbie shipments were down, retail sales of Barble dolls remained very buoyant: so far this year, they were up 27 per cent.

"The strength of our portfolio of brands and our strong financial position give us continued confidence that we will achieve our projected earnings per share

Hasbro was more bedly hit

Us. Revenues fell 11 per cent in local currencies, and after charge, the prior year's net the impact of the strong dol-profits would have been lar, reported revenues tumbled 13 per cent from \$556m to \$488m. Net profits fell from \$25.7m to \$7.8m and earnings per share fell from 20 cents to 6 cents, a cent

ahead of expectations. Alan Hassenfeld, chairman and chief executive, said the decreese in revenues had a disproportionately large impact because revenues were traditionally lowest in the first quarter.

He said sales and earnings momentum would build in the second half - not least because of the US television launch of Teletubbies.

# N American rail

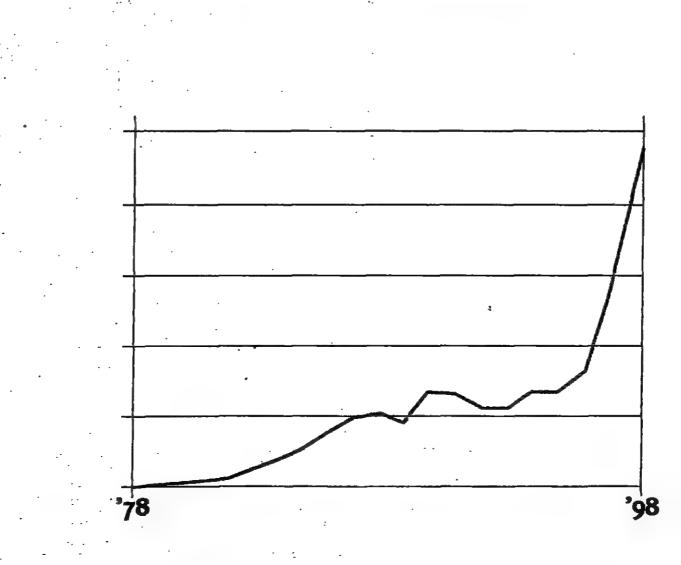
Canadian National Railways, Canada's largest rail freight carrier, announced yesterday a 15-year marketing alliance with two big US carriers to create a rall network from Canada to Mexico. The agreement with Illin-

ois Central and Kansas City Southern Railway will make the new alliance a hig competitor for north-south trafhe through the US midwest. pitting it against the huge US carriers such as Union Pacific and Burlington Northern Santa Fe. It will also further strengthen Canadian National's lead in US-bound traffic over its

rival, Canadian Pacific. The alliance is anticipatand international container systems.

per cent a year and Mexico-US traffic is rising by 11-14 per cent. In contrast, east-west traffic has been growing at just 4 per cent. The three companies have

agreed to co-ordinate sales and marketing operations, ing increases in automotive fleets and information



Welcome to the Dutch Mountains.

The 'Optiebeurs' of Amsterdam Exchanges is the first and most important market of its kind in Europe. We trade more stock options than any other exchange in Europe. Our loyal fans are behind more than 10 million contracts of open interest. On our twentieth anniversary we would like to thank our investors for giving us this support.

Invitation to offer to purchase four tankers (3 twins) of the Snam fleet.

Snam S.p.A., with registered office in San Donato Milanese (MI), share capital ITL 2.170 billion fully paid-up, registered with the Companies Registry of Milan at n. 278550 of the Court of Milan - C.C.L.A.A. of Milan at n. 0001089, intends to receive and evaluate offers for the acquisition - by one or more parties - of four tankers of its fleet. The tankers are the following:

AGIP Marche: 167.000 dwt, delivery date: 1976; dejumbolzing date: June 1987;

 AGIP Lombardia: 95.000 dwr, delivery date: 1984 AGIP Liguria: 95.000 dwt, delivery date: 1984;
 AGIP Piemonte: 95.000 dwt, delivery date: 1987.

Bids may be addressed to one or more tankers at the same time.

All tankers are at present chartered to AgipPetroli S.p.A., which is another company of ENL

For the purposes of this transaction Soam S.p.A. has engaged Basea d'Intermediazione Mobiliare IMI S.p.A., with registered office in Milan, as ils Advisor, to whom interested parties should direct any enquiries, at the following address:

c'o Banca d'Intermediazione Mobiliare IMI S.p.A.

C.so Matteotri, 4/6 I - 20121 - MILANO

Attn.: Dr. Paolo Mari (tel.: +39 2 7751-2545; fax: +39 2 76009344) Dr. Marco Agostini (tel.: +39 2 7751-2519; fax: +39 2 76009344)

The present invitation is made to both Italian and foreign limited companies. Bids by groups of more than one company, acting in concert for the purposes of the acquisition of one or more tankers, will also be consider Brokers or agents of any kind must disclose the name of the company(ses) they are representing.

interested parties should register their interest in writing with Banca d'Intermediazione Mobiliare IMI S.p.A. not later than April 24, 1998 (included), by letter or fax, and apply for a copy of the Short Information Memorandum specifically prepared for the purpose of the sale. This document will be sent to all interested parties who have applied for it in due time; a letter of instructions, regarding a preliminary non-binding bid, will be attached to the Short Information Memorandum.

On the basis of information supplied in the Short Information Memorandum and of the related instructions, the interested parties shall submit a preliminary non-binding bid to Banca d'Intermediazione Mobiliare IMI S.p.A.; attached thereto, they shall send a description of their business and of the industrial and economic rationale of the investment, copy of their financial statements of the last three years, and application for the

be supplied with such Complete Information Memorandum and to be admitted to the further steps of the sale process.

A standard "Confidentiality Agreement" and a standard "Statement of acceptance of the sale procedure" will be sent to the bidders who, at the sole discretion of Snam S.p.A., will be selected and so admitted to the further step of the sale process, also on the basis of an analysis of the received preliminary non-binding bids. These "Confidentiality Agreement" and "Statement of acceptance of the sale procedure", validly signed by the legal representative or a duly anthorised officer, shall be sent to Banca d'Intermediazione Mobiliare IMI S.p.A.

The Complete Information Memorandum and, attached thereto, the related instructions regarding the further steps of the sale process will be sent to the selected bidders provided that they have duly executed and sent back the above-men

The present advertisement is an invitation to offer but represents neither a public tender offer ex art. 1336 of the Italian Civil code nor a solicitation to the public ex art. 1/18 of the Italian law June 7, 1974 n. 216 and its subsequent amendments and additional provisions. Neither this invitation, nor the receipt of any offers by Snam S.p.A. will result, with respect to Snam S.p.A., in any obligation or commitment to sell to any bidder and, with respect to any bidder, in any right to demand any performance whatsoever by Snam S.p.A. g, without limitations, the payment of any brokerage or advisory fees or any reimbursement of incurred expenses).

Suam S.p.A. also reserves the right to terminate at any time, and without any reason or explanation whatsoever, any dis as reparding the pas

The maintenance and handling of any personal data will be carried out in accordance with the Italian stantory provisions in force (Law December the purchase offers connected with the present invitation and related sale procedure; furthermore, the received data will not be communicated or disclosed to any third party. Suam S.p.A. is the sole responsible for the maintenance and handling of the personal data so received, and the interested persons to whom such data rafer may exercise towards Snam S.p.A. any and all rights provided for under art. 13 of the aforementioned Law n. 675/1996.

This invitation and the sale procedure are construed in accordance with and governed by the Italian laws. In case of any dispute related thereto, the Court of Milan (Italy) shall have sole jurisdiction.

Whilst every reasonable effort has been made to ensure that this advertisement accurately reflects the Indian text of the one published in "Il Sole 24 Ore" and other Italian newspapers on 17 April, 1998, the Italian text shall prevail in case of any discrepancy over any text published anywhere in a language other than the Italian one.

This advertisement, for which Snam S.p.A. is liable, has been approved for issue in the United Kingdom by IMI SIGECO (UK) Ltd., a subsidiary of Banca d'Intermediazione Mobiliare IMI S.p.A. and regulated by Securities and Futures Authority Limited (SFA). Banca d'Intermediazione Mobiliare IMI S.p.A. is acting on behalf of Snam S.p.A. in relation to the publication of this advertisement and is not esting for any other persons and will not be responsible to such persons for providing the protections afforded to customers of Banca d'Intermediazione Mobiliare IMI S.p.A. itself or for advising them as to any matter referred to herein. The investments which are the subject of this advertisement are not available to private customers, as defined in the SFA rules.

### Schneider SA

Notice of General Meeting Meeting of Guaranteed Exchangeable Bonds due 2003 SQUARE D

ra of the 2 per cent Gu Bonds due 2003 of SQUARE D Company are invited to attend the General Meeting to be held on the 12th of May 1998 at 10,00 a.m. at the office of the COMPAGNIE FINANCIERE DE CIC ET DE L'UNION EUROPEENNE, 4 rue Gallion Paris 2\*\*, to consider the following agenda:

. The report of the Board of Directors and of the

. The approval, subject to the decision of the General Meeting of the shareholders of SCHNEIDER SA. of the authorization given to the Board of Directors of SCHNEIDER SA to (SIGUE):

representing aubscription right to an aggregate number of streets which can total no more than a nominal amount of FF 5 billion, in connection with the authorizations given by the General Meeting of the shareholders held on the 10th

in connection with this issuance of warrants, carrying preferential subscription right, Schneider's shareholders should renounce any preferential subscription rights to subscribe shares issued in respect of the warrants.

 The accrowal subject to the decision of the Ge of the ahareholders of SCHNEDER SA, of the authorization given to the Board of Directors of SCHNEIDER SA to insue:

representing autocription right to an aggregate number of shares which can total no more than a nominal amount of FF 5 billion, in connection with the authorizations given by the General Meeting of the shareholders held on the 10th of June 1997.

in connection with this issuance of warrants, SCHNSIDER'S shareholders should renounce any preferential subscription rights.

Any other business.

In order to attend or be represented at the meeting, holders of bonds must deposit, at least five clear days prior to the meeting at the head office, the certificate of deposit, issued by the bank, financial institution or stockbroker with whom the bonds are lodged.

If the quorum of this General Meeting is not present, the meeting will be adjourned until Wednesday, the 27th of May 1998, at 10.00 a.m. at the same place.

The Bound of Directors

**GROUPE SCHNEIDER** 

This notice is issued in compliance with the requirements of the London Stock Exchange Limited (the "London Stock Exchange").

Application has been made to the London Stock Exchange for admission to the Official List of the undermentioned securities. New Issue

17 April 1998

## **Argentaria Capital Funding Limited**

2,000,000 Class C

7.20 per cent. Non-cumulative Guaranteed Non-voting U.S.\$ Preference Shares

and

5,000,000 Class D 6.35 per cent. Non-cumulative Guaranteed Non-voting DM Preference Shares

guaranteed to the extent set forth herein by

#### Corporación Bancaria de España, S.A. (Incorporated with limited liability in the Kingdom of Spain)

Listing particulars have been published and copies of the listing particulars may be obtained (for collection only) during normal business hours until 1 May 1998 from the Company Announcements Office, the London Stock Exchange, London Stock Exchange Tower, Capel Court, entrance off Bartholomew Lane, London EC2N 1HP and until 1 May 1998 (Sahardays, Sundays and public holidays excepted) from Morgan Guaranty Trust Company of New York, 60 Victoria Embankment, London EC4Y 0JP.

Merrill Lynch International Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY as Listing Sponsor

### COMPANIES & FINANCE: INTERNATIONAL

BELGIUM CONSULTANCY DEMANDS NEW VALUATION OF KREDIETBANK DEAL

# bjection to Cera merger

and Neil Buckley in Brussels

A corporate governance further independent valuation of Belgium's biggest month, will create Belgium's financial damage." merger this year as part of biggest financial services its fight to improve the deal group and one of its largest for shareholders.

the Brussels-based consul- (\$13.7hn). tancy, against the merger of Cera Bank, Kredietbank and ABB Insurance is a rare sign of shareholder activism in Brussels and continental Cera Belgium's sixth biggest

specialises in acting for minority shareholders, wrote company.

ncy is demanding a the co-operative bank.

The deal, announced last companies by market capi-The action by Deminor, talisation, of about BFr510bn

The consultancy, which rights and a controlling has won the backing of hun-ing rights.

behalf of more than 500,000 never seen anything like this operative which owns stakes individual shareholders of in Belgium. The way they in both Cera and ABB, as

Deminor has criticised the

tive shareholders which own stake in the newly formed

deal on the ground that the thousands of small co-operabank, are losing valuable

are treating individual part of the proposed deal. shareholders will lead to

The group is not opposed to the deal itself. "Our objectindependent valuer for this tive is not to block the transpart of the business. action, as we think it is, on done."

Deminor, which says it which only half carries votdreds of individual investors, has objected to the transfer comment yesterday.

to Cera Bank this week. Erik Bomans, a consultant of shares worth BFr67.5bn to spelling out its objections on at Deminor, said: "We have Boerenbond, a farming co-It aims to call a press conference next week in which it could propose its own

> Deminor also believes that the whole, in the best interests of the companies should gain a controlling involved," said Mr Bomans. interest in Almanij, a hold-"But the distribution of the ing company in the merger cake has been unequally company, whereas their stake will be 38 per cent, of

> > Cera was unavailable for

# Old money freed up in new South Africa

A shake-up in the financial services sector is motivated by aspirations to grow internationally, writes Victor Mallet

Outh Africa's financial Sanlam siready has a 25 Services industry, con-strained for years by ance, pension and unit trust apartheld and economic business in South Africa. sanctions, has embarked on which limits the opportunia series of mergers, bids and ties for further growth at international acquisitions, home. "I can't see how it can Executives in the industry make business sense to grow say there will be more deals that market share aggres-in the months ahead before sively to higher levels," says the period of upheaval draws Mr Daling.

Insurance, banking and asset management are among the most successful sectors in a stagnant economy previously dominated by gold mining. The big South African financial services groups are starting to flex muscles abroad and focus on core businesses now they are no longer obliged to invest their spare cash in mixed assets in the domestic market.

They are also embracing international trends, including consolidation, demutualisation and "bancassurance", the selling of life assurance products through retail bank networks. Board- has announced a R17.9hn rooms are awash with talk of plan to simplify its crosssynergy, rationalisation and aberebolder value.

Among the changes are the forthcoming demutralisburg Stock Exchange if - as expected - they are listed later this year and in 1999 respectively.

Daling, Sanlam executive chairman. He argues that are prompted by the need to groups such as his need to unwind complicated sharemake alliances with other holding structures or disposfinancial companies and ing of non-core assets insist they do have advan-increase their oversess pressequired during the apart-tages, especially in their hisence to present a compre- haid era. class. "I think the best way

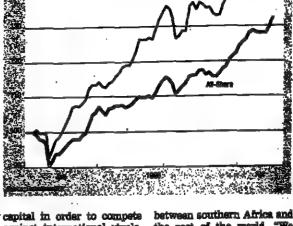
Other recent deals include

the merger of the financial services interests of Anglo American and RMB Holdings - the new merged company: FirstRand, will have a market capitalisation of about R59hn and assets of R250hn (\$11.7bm-\$49.7bm) - and the planned creation of a single holding company to manage the banking, life assurance and fund management operations of Liberty Life and Stanbic. Liberty Life said in March it could spend up to \$2.5bm (\$4.2bm) to buy an international life

company. The Cape Town-based Board of Executors group ness of retail banking. shareholdings with its partners to create a focused

for £95m.

amouncements is the need vice providers and users of as financial intermediaries



against international rivals. both oversess and in the domestic market. About 70 foreign banks have set up offices in Johannesburg in the past few years to win lucrative corporate finance deals while shunning the costly and crime-ridden busi-Some of the foreign bank-

ers, while acknowledging that the financial services sector is more sophisticated investment banking organi- and technologically ations of Sanlam and Old life assurance periner. Abea, the South African economy, Mutual, the life assurance the banking group, says it is doubt whether South Afrias Old ers." oc the first grow. hans groups such group, is buying UK invest- will be able to fulfil their show that it can be done." ment bank Guinness Mahon overseas ambitions.

tages, especially in their his-

the rest of the world. "We are not attempting to be Goldman Sachs or Marrill Lynch," says Stephen Koseff, Investec chief executive. "We're not trying to be global, we're trying to be international. Clive Cook, insurance ans-

lyst at BOE Securities, says that South African groups such as Sanlam and Liberty will have to prove themselves to doubtful investors when they make foreys in sation, and is looking for a advanced than the rest of the devaloped world. "It's going to be greeted initially with a bit of scepticism by groups which will instantly moving towards bancassur- can companies - except per- international fund managcompanies on the Johannes- ing South African financial Mutual and Liberty Life - not take all that long to

In the short term, there "What makes South Afri- are likely to be further deals Some deals have been can companies think they in the South African finan-"Financial services are driven by the need to pro- can be global players?" saks cial services industry. moving across borders and vide assets for black inves- one Johannesburg-based Medium-sized life companies product lines," says Marinus tors - part of the process of investment banker. "Where such as Norwich Holdings, black empowerment. Others is Absa's competitive advan which recently fought off a tage as an international hostile bid from African Life, are seeking - or being South African companies sought by - potential banking partners.

"We haven't seen the last torical stronghold in of this," says Mr Cook. "By hensive range of products to But behind most of the southern Africa and, by the end of April we'll see a customers and become world recent South African extension, in other emerging further announcement on extension, in other emerging further announcement on markets. They believe they Liberty-Stanbic and then carto learn to swim is to get to become more efficient ser- can make money by acting the totally further action on Northeat the swimming pool."

\*\*The providers and users of as financial intermediaries with "

# CIB to offer insurance

By Mark Huband in Calro

Commercial International Bank, Egypt's largest private wide range of insurance policies as part of an extensive expansion intended to establish its presence in all areas of the Egyptian and regional

"We are in the closing stages of finalising a joint venture with a major European insurance company," said Adel el-Labban, managing director.

government's decision to el-Labban said. open the market to foreign

ning a capital increase and ucts, leasing and insurance. bond issue to finance expan- It'll be one-stop shopping. slop in the floancial any ice

By 2001, CIB expects to be generating up to 25 per cent cent return on average of its income from non-bank invested equity in 1997. be generated by accounts, "We have decided to start

growing this business in stages. We have also decided that being a player on the custody side is key. We have Such a deal would be a a custody portfolio of \$250m, significant response to the and this is growing." Mr

"If this is all achieved, then CIB will truly have

incts, leasing and insurance. It'll be one-stop shopping, leveraging on a name that is recognised."

CIB generated a 23.4 per cent return on average invested equity in 1997. Asset value soared by 23.9 per cent to \$3.9bn, while loans and deposits grew by 23.8 per cent and 20.8 per cent, respectively. The results place it fifth in the Egyptian market in terms of assets.

Joint venture partnerships are regarded as essential to CIB's plans to expand operations throughout the Middle East and North Africa.

"We have to grow regionally, even though we haven't yet achieved what we want is contained in the contained in financial services. A further Asset value soured by 28.9 10 per cent is expected to per cent to \$3.9bn, while cross reference business and 23.8 per cent and 20.8 per

CIB's expansion plans become an integrated finan- ally, even though we haven't come as it reported record cial services group, with yet achieved what we want profits for 1997 of \$78.7m, up interests in brokerage, to achieve in Egypt," Mr \$7.7m on 1996. It is now plan-

# **Iberdrola upbeat on EDP**

ted to be chosen by the Por- liberalised. tuguese government as a partner for EDP-Electric-Reuters reports from year.

Portugal wants to sell 4.5 per cent of the group to two international strategic Pta20bn a year in diversificapartners - one porthern European and one Spanish. "We think we will be cho-

sen by the Portuguese government as the strategic structure". partner for EDP," Javier Herrero, chief executive, strategy sought to produce

cial to Iberdrola's strategy of and abroad, but the group expanding abroad as domes- was "not aiming at mere

Iberdrola, the Spanish tic competition becomes expansion, but also intended electric utility, said it expectougher and markets are to add value," Mr Herrero In an effort to lift its inter-

national profile and diver- were designed to achieve "We are planning to invest added. Pta50bn a year in interna-

tion," Mr Herrero said. He said this was manageable "without any strain on the firm's financial

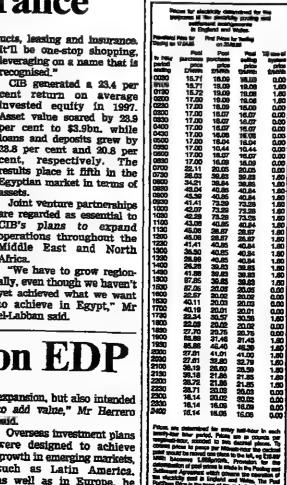
growth both domestically, in The move is seen as cru- non-electrical businesses,

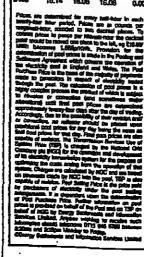
idade de Portugal, the state- sify, Iberdrola aims to invest growth in emerging markets, controlled power group, about Pta70bn (\$459m) a such as Latin America. as well as in Europe, he in Europe, Mr Herrero said tional investment, and about that Iberdrola was studying

alliances. "In Eastern Europe we can't go it alone, as others cannot go it alone in Latin

America.

"We are looking to possi-Iberdrola's expansion ble alliance with firms in countries with liberalised markets and with views similar to ours," Mr Herrero said, referring to the UK and Germany.





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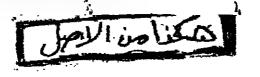
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#### COMPANIES & FINANCE: EUROPE

# Westland-Agusta alliance flies into top league

World helicopter market is set for further rationalisation, writes Alexander Nicoli

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industry where big orders are few and far between especially at a time of is unlikely to be the last dwindling defence spending move in the rationalisation - it has won some hardfought competitions, building a £3.8bn (\$6.4bn) order book which will keep its workforce of 3,800 active

until 2003.

With yesterday's announcement of an alli- Pentagon, under continuing ance, and possibly a merger, with Agusta of Italy, it stands to broaden the range of models which it can market, adding Agusta's civil helicopters to the military products of both companies.

This will put the future alliance in a stronger position to compete with Eurocopter, the one other remaining manufacturer in western Europe, which is a joint venture between Agrospatiale of develop into a bigger corpo-France and Daimler-Benz rate deal. Aerospace of Germany.
A combination of West-

on a par with Boeing, Bell and Sikorsky - all of the US. According to figures from the Teal Group of the US, each of the four groups and

"hings have gone well for new helicopters in 1997, giv-Westland, the UK's only ing them roughly equal helicopter maker, since shares of the \$4.50n market it was acquired by GKN four of western world producers. Military helicopters make up he a sector of the aviation the bulk of the market in value terms.

The Westland-Agusta deal of the helicopter market. All three US manufactur-

ers - reduced from four last year when Boeing acquired McDonnell Douglas - face little growth in sales with their main customer, the pressure to cut spending. Boeing recently announced that it would no longer make civil helicopters. in what one participant

yesterday called a "global village" of a market, the six groups are all involved in a complex network of collaborations on individual helicopter programmes, any of which, like the Westland-Agusta alliance, could

For Westland, such a happy position could hardly land and Agusta will also be have been foreseen in the dark days of 1986, when it suffered a cash crisis and its fate became the subject of a bitter dispute within the than Conservative governthe Westland-Agusta combi-ment. Michael Heseltine,



copters for an Asian buyer,

believed to be South Korea,

and seven Super Lynx for

Since the EH101 is pro-

Italian company's \$2.5bn

order book is common with

attack helicopter, and the

Agusta Bell 412 under

the German navy.

Sir Leon Brittan, trade secretary, resigned from the Cabinet in the argument over whether Westland should fall under US control or join

in the end, it did neither, and 12 years later it remains on its own, smaller in sales terms than its main rivals.

| estland's range is Wentirely military. It has orders for 185 belicopters: 67 AH-64 Apache attack helicopters for the British Army (built under Westland. It also makes the licence from Boeing); 44 A109 and A119 small civil BH101 Merlin anti-submarine warfare helicopters for the Royal Navy (though the nation sold about \$900m of then defence secretary, and prime contractor is Lock-licence from Bell.

heed Martin of the US): 22 Agusta is developing the A139 12-seater and is a part-EH101 transport helicopters for the Royal Air Force; 16 ner with Eurocopter, among BH101s for the Italian navy; others, in the development 15 EH101s for the Canadian of the NH90 transport heliforces; one EH101 for the Tokyo police; 13 Lynx heli-GKN said that the two

tary and that there was no overlap between their product ranges. Both companies are hopduced jointly by Westland ing to make considerably and Agusta, much of the more sales of the EH101.

companies were complemen-

especially to the UK and Italian armed forces. They also aim to win orders for the EH101 in the

belicopters, the A129 light US following Canada's recent reversal of a previous

vate banking in North Amer ica, but was redirecting its business to focus on asset management for wealthy families. It will concentrate on asset-eathering and port folio management and end its deposit-taking and lending activities. Clients of Credit Suisse

biggest market

Credit

Suisse

trims US

activities

Credit Suisse, the second

biggest Swiss bank, is clos-

ing its Credit Suisse private

banking operations in the

US and Canada as it has not

been able to generate enough business to justify

maintaining specially staffed

locations in New York,

Miami, Los Angeles.

Toronto, Montreal and

Private banking is one

area where Swiss banks

have traditionally been well

ahead of US competition. Credit Suisse's decision

to restructure its North

American operation is sur-

prising given that it was the

lastest-growing part of its

private banking business

The move underlines the difficulty Swiss banks face

in exporting Swiss-style pri-

vate banking. The majority

of Swiss private banking is

aimed at offshore clients, but

the most rapidly growing

part is onshore business, in

which the US represents the

Credit Suisse stressed it

was not pulling out of pri-

Vancouver.

last year.

dy William Hall in Zurich

Private Banking will in future be served by Credit Suisse First Boston, the group's investment bank, by Credit Suisse Asset Manage ment or by Swiss American The move comes only a

month after Coutts, Nat-West's private banking arm, closed its offices in Beverly Hills, San Diego and New York.

#### **NEWS DIGEST**

#### PHARMACEUTICALS

### **Ares-Serono hit by loss** of US market share

Ares-Serono, the world leader in infertility drugs, reported a drop in sales for the second quarter running due to a loss of market share in North America, its biggest market.

First-quarter sales of the Swiss biotech company fell 8.6 per cent, to \$193.8m. in local currency terms, sales fell 3.2 per cent, which compares with a 1.8 per cent decline in the final quarter of 1997 and growth rates of between 16 per cent and 24 per cent in the first three quarters of last year. Sales in North America fell 20 per cent to \$49.4m in the first quarter and market share dropped to 65 per cent.

Despite the sales decline and a higher research and development spend, net income rose 12.7 per cent to \$18.5m in the first quarter.

Ares-Serono, whose shares nearly doubled last year, has been one of the worst performing Swiss stocks this year. Its shares closed SFr130 higher at SFr2,290 yesterday. William Had, Zurich

#### WIND POWER

#### Vestas in DKr1bn share offer

Vestas, the Danish company which claims to be the world's leading producer of wind turbines for power generation, is hoping to raise about DKr1bn (\$146m) with an offer of 4.76m shares which is open until April 28. Vestas increased turnover from DKr1.88bn in 1996 to DKr1,95bn in 1997. Profits after net financial items increased from DKr90m to DKr121m, but after a DKr150m write-off on joint venture assets in India, there was a net loss of DKr8m against a profit of DKr36m in

Lead managers for the share issue are Aros Securities nvestment banking arm of Unibank, and Dresdner Kleinwort Benson, Hillary Barnes, Copenhagen

#### BUSES

#### Ikarus privatisation finalised

The protracted privatisation of likarus, the Hungarian busmaker, was finalised yesterday with management buy-out company MT-Liz taking a 54 per cent stake in the company from APV, the state privatisation company, for a nominal Ft10m. The new owners have undertaken to pay off almost Ft5bn (\$24m) in debts to the state and ABN Amro Bank within 15 days and provide guarantees for another Ft2.25bn of longer term debts.

ikarus has seen production slump from 14,000 buses a year in the mid-1980s to a nadir of 800 in 1996. Since then, under the management of Gábor Szèles, the company has begun to turn around, with 1,800 buses produced last year and a similar number expected this year, mostly for the former Soviet Union and other ex-socialist countries. In its latest deal, lkarus has begun to supply 100 buses to the Slovak city of Bratislava financed by a DM22m (\$12.2m) loan syndicated by BNP-Dreedner Bank, Kester Eddy, Budapest

# Finmeccanica shapes up for fightback

By James Blift in Rome

The alliance forged between GKN Westland and Agusta is the latest sign of how Finmeccanica, italy's statecontrolled defence and industrial conglomerate, is restructuring in the face of fierce competition.

For decades, Finmeccanica has been one of the largest state-run conglomerates in Italy, with a range of subsidiaries that are internation—incurred L1,629bn of Earlier this month, Finiary linking with BAs in the

space, energy equipment and transport.

However, growing competition has been partly responsible for a declining performance by the group rethink its overall strategy.

ally known in defence, aero-restructuring costs. The Fin-meccanica signed a \$3.4bs field of space and L2.000bn capital increase. due to be fully implemented later this year.

The international albaness are the third stage of the last year losses deepened to strategy, allowing the group sign of the consolidation in L2,350bn (\$1.32bn) - and Fin- to transform itself from a Europe's defence industry in strategy, allowing the group meccanice has had to conglomerate into what one the face of US competition. The first phase of the reconstruction began last range of international parties about the possibility of its to make a final announce-

meccanics board approved a deal with General Electric communication. Company of the UK under which the two sides will bring together missile, naval and radar systems. The

ment is being seen as a

of its executives calls a The Italian group is also "holding company with a talking to British Aerospace Process Automation, it is yet

Elsewhere, attention is focusing on the future of the Ansaldo energy group, smid hopes that an alliance can soon be struck with Daewoo Finmeccanics has committed itself to selling its 61 per cent stake in Elsag-Bailey ment on the nature of the

The Management Board of PLIVA d.d. (the "Company") at its meeting held on 27 March 1998 convened a specting of the

GENERAL ASSEMBLY

The meeting of the General Assembly shall take place at Milanovideva I (at the Hotel Explanade), Zagreb, Crostia on 19 June 1998 at 2.00 p.m. AGENDA

1. Presentation of the flouncial reports for the year 1997:

(a) Report of the Management Board. (b) Report of the Supervisory Board.

2. Distribution of profit (including the silvidead to stareholders) for the year 1997.

3. Approval of the activities of the Management Board and the Supervisory Board during the year 1997. 4. Approval of the purchase of the Company's own equity shares.

5. Approval of an amendment to the Articles of Association. 6. Appointment of the Company's Auditors.

DRAFT RESOLUTIONS TO BE CONSIDERED AT THE MEETING

The Management Board and the Supervisory Board of the Company propose to the General Astembly that Resolutions 1, 2, 3, 4 and 5 be considered. The Supervisory Board of the Company proposes to the General Astembly that Resolution 6 be considered.

The financial reports for the year 1997 presented by the Management Board and Supervisory Board be adopted.

Number 2

1. Of the distributable profit realized in the financial year 1997 in the amount of HRK 603.154.454.00, ofter tax, a proportion shall be distributed as a dividend to relevant standholders and the remainder shall be credited to reserves as retained profit.

II. The profit to be distributed to shareholders is HRK 7.00 per share. According to the number of shares as with 31 December 1997, the Company's own shares excluded, this sum amounts to HRK 140,467,999.00. The profit shall be distributed to all shareholders who were registered as shareholders in the Company's State Register at the day of this decision and in compliance with the Company's Articles of Association and regulations. The dividend will be paid on 30 June 1998.

III. The remaining amount of HRR 462,686,455.00 shall be credited to reserves as a retained profit.

The activities of the Managarttent Board and the Supervisory Board during the year 1997 are approved.

That the Company, acting through the Management Board, be and bereby is generally and unconditionally authorised to make one or more market purchases on the Loudon and/or Zagneb Stock Exchanges of ordinary registered shares in the nominal value of BRK 100.00 each ("Shares") provided that:

(a) the stationan aggregate number of Shares hereby authorised (and on the basis of the authorisation given at the Company's General Assembly held on 20 June 1997) to be purchased shall not exceed 5 per cent of the Company's issued share capital; (b) the minimum price which may be paid for such Shares is the nominal value of the relevant Share (exclusive of taxes, duties and/or expenses);

(c) the autoinum price (exclusive of taxes, duties and/or expenses) which may be paid for a Share shall not be more than 5 per cent above the average of the

market value for a State as derived from the London or Zagreb Stock Exchange (as appropriate for the relevant purchase) for the sen business days

ely preceding the date on which the Share is purchased;

(d) the Company may use any of its retained profit to effect the purchase of such Shares;

(e) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 1999 or within 12 months from the date of passing this resolution whichever shall be earlier;

(f) the Company make a contract or contracts to purchase Shares under the authority conferred prior to the expery of such authority which will or may be exceeded wholly or partly after the empiry of such authority and may make a purchase of Shares in pursuance of any such contract or contracts.

Article 4 of the Company's Articles of Association (PLIVA.d.f. Bulletin No. 41 of 1 January 1997) is supplemented by the following objects of the Company:

74.14 Consultancy in operating and management; Accounting and bookkeeping, consoltancy in taxation policy. Quality and quantity controls of district and other food products and their technological development.

Based on the above supplements of objects, the Management Board shall produce a complete text of revised Articles of Associativa which will be certified by public notary. An application shall be submitted to the Commercial Court in Zagreb with all necessary attachments required for the registration of the supplements of objects in the Company's Articles of Associati

That Coopers & Lybrand d.d. Zigoth and Coopers & Lybrand Combridge be appointed as joint auditors of the Company from the conclusions of this meeting.

CONDITIONS FOR PARTICIPATION AT THE MERTING OF THE GENERAL ASSEMBLY AND RIGHT TO VOTE Shareholders of the Company shall be entitled to amend and vote at the General Assembly provided that:

they deposit facir Same Certificates until the end of the meeting of the General Assembly with the Company's Share Office at Prilaz barana Filipovica 25, Zagreb, Croatia, by 9 Jame 1998 at the latest (the Share Office is open every business day excluding Saturdays from 9 a.m. till 1 p.m.) or with a public notary and deliver the relevant certificate of the public notary to the Company's Share Office by 9 June 1998 at the latest; they lodge their application for participation at the General Assembly with the Company's Share Office by 9 June 1998 at the latest; they lodge their application for participation at the General Assembly with the Company's Share Office by 9 June 1998 at the Latest. Forms of application are available from the Company's Share Office or from the offices of PLIVA Limited at Material Material 157, 166 December 158.

Holders of Global Depositary Receipts (GDRs) will have no voting rights with respect to the Deposited Shares (as defined in the terms and conditions endorsed

on each GDR cartificate). The Depositary (Bankers Trust Company) will exercise any voting rights in respect of the Deposited Shares in accordance with Combition 12 of the GDRs. States which have been withdraw from the facility and transferred on the Company's register of members to a person other than the Depositary or its ageniase may be voted by the holders thereof. instant contiled to appoint proxies. Proxies need to be appointed by a valid power of attorney granted by the stareholder or at the case of a corporate

shareholder a daily appointed representative i accordance with the provisions of Article 11 of the Articles of Association. Appointments of provise need to be deposited with the company's Share Office by 9 June 1998. Forms of proxy are available from the Company's Share Office or from the offices of PLIVA Limited nt Hedges House, 153-155 Regent Street, Landon WIR 7FD, UK. Copies of the reports referred to in item I of the Agenda can be obtained either in person or by written request from the Courpeny's Share Office or from the

offices of FLIVA Limited at Hedges House, 153-155 Regard Street, London W1R 7FD, UK. Copies of the service contracts of the members of the Management Board are available for inspection at PLIVA's registered office during normal business hours on any business day (excluding Saturdays) and will be at the place of the meeting of the General Assembly 15 minutes prior to and during the meeting. Participants at the General Assembly are invited to report one hour before the electing to ensure timely registration.

Should the meeting of the General Assembly of 19 June 1998 be postpoored due to the lack of the quorum set out by the Articles of Association, the reconvened meeting shall be held at the same place at 2 p.m. on 26 June 1998.

The dividend, if approved, shall be paid to the shareholders in the register on the day of the General Assembly which should take place on 19 June 1998, to compliance with Article 15 of the Articles of Associations, marsfer of the ownership over the shates is not allowed within ten days preceding General Assembly, otherwise each a transfer will dot be recented in the Share revision.

Zagrób, 27 March 1998

PLIVA dd. The Management Board

# Net dividend: FRF 3.30

The Board of Directors, meeting under the chairmanship of Mr. Francis Mer on Tuesday, April 14, 1998, reviewed the final consolidated accounts of the Group and approved the accounts of Usinor, the parent company, for the 1997 financial year.

The final consolidated accounts for 1997. Prospects in line with preliminary figures released in February of 1998, are characterized by a net profit of FRF 2,055 million (EPS: FRF 8.45) compared to FRF 1,489 million in 1996 (EPS: FRF 6.12).

Net sales reached FRF 72,001 million increasing on a comparable basis by 6.7% with 1996.

Operating income was FRF 3,580 million, or 5% of sales (4.5% in the first half of the year and 5.5% in the second) compared to FRF 2,482 million, or 3.5% of sales for the 1996 financial year.

Net cash provided by operations amounted to FRF 5,883 million compared to FRF 9,973 million in 1996. Given the recovery in activity, this is explained principally by the increase in 1997 in working capital requirements. After capital expenditure of FRF 4,125 million, and taking into a relatively stable dollar environment, to account the financial investments net of divestures, the free cash flow comes out at FRF 3,003 million.

Net debt at December 31, 1997 was FRF 5,829 million. Following the deconsolidation of Vallourec, the debt/equity ratio remained the same as that at the end of 1996 (21% compared to 22%). This ratio has been increasing slightly since the first quarter of 1998 taking into account the acquisition by Aster of 100% of the Belgian company Fafer for approximately FRF 1.6 billion and the purchase by Usinor of minority holdings in Sollac for approximately FRF 1.1 billion.

The turnover to capital employed General Assembly continued to improve, from 1.55 at the The board will propose to the Annual 1997, reflecting the Group's policy which emphasizes the creation of value in order per share. to improve the return on capital employed.

The economy continues to be sustained on the internal market of the European Union, in particular in the sectors constituting important outlets for Usinor, such as the automobile and mechanical engineering industries: inventories are at normal levels and the consumption of steel should continue to grow at least until summer, with a market resurgence in investment. The 10.9% increase in the production of raw steel by the fifteen member states of the European Union over the first two months of 1998 illustrates this phenomenon.

If production levels in Asia, which suffered from the recession in Japan (-5.8%), only increase by 2% over January and February 1998, the North American market clearly consolidates its situation and production levels there rise by 9.4%.

This evolution should contribute, assuming a good resistance of European prices, the flat stainless steel sector (17% of the sales of the Group), continuing to suffer from global over-capacity.

Annual contracts, which cover close to 50% of Usinor's sales were negociated for 1998 under good conditions in almost all of the sectors. The order books are currently well filled - in particular for coated flat steel products - and the plants should function at capacity until the summer at least.

Given the above, the results of the first half of 1998 should show a significant increase over those of the first half of 1997.

end of 1996 to 1.67 at December 31, General Meeting the payment on July 1997 reflecting the Group's policy which 1st, 1998 of a dividend of FRF 3.30 net

The Combined General Meeting will be Usinor, parent company (including the held on June 9, 1998 at 10 a.m. at Maison Ugine division) closed the 1997 financial de la Chimie – 28 bis, rue Saint Dominique, year with a net profit of FRF 3,197 million. 75007 Paris - France.

**USINOR** 

Combined General Meeting

June 9, at 10 a.m.

Maison de la Chimie 28 bis, rue Saint Dominique 75007 Paris

France, (\*\*

Investor Relations 13. cours Valmy La défense 7 92070 La Défense Cedex France tel.: (33-1) 41 25 98 98

fax: (33-1) 41 25 97 80 internet: http://www.esinor.com

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arated with limited liability as a social encouping à directoire el canand de sarro unider French law, having the status of a bank)

Share capital of FRF 3,170,549,600 Registered office: 5 avenue Kléber, 75116 Paris Company number 592 052 070 RCS Paris

Notice of Adjourned Meeting of the Holders of

Yen 10,000,000,000

5.3 per cent. Bonds due 1999 (the "Bonds")

ISIN Code GB 0042122217 on April 27, 1998

NOTICE IS HEREBY GIVEN that a Meeting of the bondholders of the above mentioned issue convened by the Issuer on April 14, 1998 at 10.00 a.m. (Paris Time) by Notice dated March 20, 1998 with the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and in the Vancabara William of the Evaporal Times and In the Vancabara William of the Evaporal Times and In the Vancabara William of the Evaporal Times and In the Vancabara William of the Evaporal Times and In the Vancabara William of the Evaporal Times and In the Vancabara William of the University of the Indiana Control of the Ind convened by the Issuer on April 12, 1302 at 1000 at 100 at

THAT, in accordance with the provisions of the terms and conditions of the Bonda, the merger of Compagnie Bancaire with Banque Paribas, a company incorporated with limited liability as a social anonyme à directoire et conseil de surveillance under French law, having the status of a bank, be approved. The merger will be carried out as a "fusion-absorption" under French law. The merger will be carried out in order to incorporate the various activities of the Paribas Group into a single structure. The merger will take place in mid-May 1998 with retroactive effect to January 1, 1998. Once the merger has taken effect. Banque Paribos will change its name to Paribos.

Voting, Quorum and Further Details

- 1. A holder of one or more Bunds of the above mentioned issue, wishing to attend and vote at A noner of one or more honor of the above mentaned issue, wanting to access an vote at the Adjourned Meeting may deposit his Notes with the Fiscal Agent or with a Paying Agent at its specified office set out below or such Bonds may be held, to the satisfaction of the Fiscal Agent or such Paying Agent, to its order by Cedel Bank, societé anonyme or Morgan Guzranty Trust Company of New York, Brussels office, as operator of the Euroclear System, for the purpose of obtaining a voting certificate, appointing proxies or giving voting instructions in respect of the Adjourned Meeting until 48 hours before the time fixed for the Adjourned Meeting but
- 2. Voting certificates issued and voting instructions given and the appointment of proxies made pursuant thereto for the Adjourned Meeting convened for April 14, 1938 will be valid for the Adjourned Meeting (and any further adjourned meeting) unless, in the case of voting certificates, they are surrendered before the time for which the Adjourned Meeting or any further adjournment thereof is convened, or, in the case of voting instructions, the receipt issued by the Fiscal Agent or the Paying Agents in respect of each deposited Bond is surrendered to him not less than 72 hours before the time for which the Adjourned Meeting or any further adjournment thereof is convened and notice. is given by the Fiscal Agent or the Paying Agents to the Issuer of such surrender.
- In respect of the above mentioned issue, two or more persons present holding Bonds or voting certificates or being proxies (whatever the aggregate face value of the Bonds so held or represented
- Copies of an explanatory document are available for collection by the Bondholders at the specified
  offices of the Fiscal Agent and the Paying Agents and at the registered office of the Lasuer.

Fiscal Agent and Principal Paying Agent Banque Paribas Luxembourg, SA 10a Boulevard Royal L-2093 Luxembo

Paying Agente

Artesia Bank SA 162 Boulevard Emile Jacquain

Swiss Bank Corporation Paradenista 6



#### ISTITUTO MOBILIARE ITALIANO S.p.A.

Hendquarters: Visie dell'Arts, 25 Rome, ITALY Paid-up Share Capital: LT. 3,000,000,000 - Inscribed in the Company Register in Rome no. 10945/1991 (Tribunal of Rome) - Inscribed in the Registry of Banks and Parent Company of the IMI Group - Inscribed in the Registry of Banking Groups - Mamber of the Interbank Deposit Protection Fund - Tax Code no. 00448420588; VAT no. 00896201001

CONVOCATION OF THE SHAREHOLDERS' GENERAL MEETING The General Meeting of the Shareholders of Istituto Mobiline Italiano S.p.A.is convened, for the first call, for Tuesday, 19 May 1998, at the hour of 9:00 am, and, if necessary, for the second call, for Wednesday, 20 May 1998, at the hour of 11:30 am, in Rome at the Company's Headquarters, Viale dell'Arie, 25 (EUR), to discuss and resolve the following:

AGENDA

Mudification of the By-Laws, Articles 30 and 31. Abolition of the By-Law reserve and consequent distribution of the entire amount to available reserves.

**EXTRAODINARY PART** 

Shareholders desirous of participating in the General Meeting must deposit their Ordinary Shares at least five (5) days before the date of the Meeting at the headquarters of IMI S.p.A. in Rome. Viale dell'Arte 25, of with one of the following designated institutions:

BANCA COMMERCIALE ITALIANA, CREDITO ITALIANO, BANCA NAZIONALE DEL LAVORO, CARIFLO - CASSA

DI RISPARMIO DELLE PROVINCIE LONGIARDE, ISTITUTO BANCARIO S. PAOLO DI TORINO, BANCA MONTE DEI PASCHI DI SIENA, BANCO DI NAPOLI, BANCA DI ROMA, BANCA CASSA DI RISPARMO DI TORDIO, ROLO BANCA 1473, BANCA FIDELIRAM, BANQUE PARIBAS - FILIALE DI MILANO, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as well as Monte Titoli (for the shares administrated by it). The right to vote may be exercised also by correspondence according to the "regulations on the

conditions and procedures for exercising the right to vote by correspondence", issued jointly on December 30, 1994, by the Bank of Italy, the Italian Securities and Exchange Commission (CONSOB), and ISVAP, and published in the Gazzena Lifficiale (Official Gazene) on January 5, 1995.

The proposals formulated by the Board of Directors and the related illustrative reports as well as the proxy ballots will be available starting from April 17 until the date of the Shareholders' General Meeting at the Company Headquarters and at the main offices of the designated institutions (for Banque Paribas only at the Milan Branch Office). The above documentation will be also available at every branch or sub-branch office of the

above-mentioned designated institutions as well as at every member of the Monte Titoli system where the Shareholder intends to vote by correspondence and has made a timely request.

The proxy bullots (which must be sent together with the related adminiou tickets) to the General Meeting must be presented or delivered to the Secretariat for Statutory Affairs of IMI S.p.A. - Visite dell'Arte, 25 00144 Rome, Italy, by May 15, 1998.

The Office of Investor Relations (Tel: 39-6-5959 3379, Fax: 39-6-5959 3550) and the Secretariat for Statutory Affairs (Tel: 39-6-5959 3066-5959 3925, Fax: 39-0-5959 3031) are available for further clarification or information.

This notice is available also on the internet site; but; i/www.inuspo.st

Nediloyd

Shareholders in Royal Nedfloyd N.V. and other entitled parties are invited to attend the armost General Meeting of Shareholders, which will take place on Wednesday 13 Mey, 1986, at 14:00 hours in the Rotterdem Hatt of Beurs-World Trade Center, Beurspieln 37 in Rotterdem.

(a) Report by the Executive Board over 1997
(b) Approval of the Financial Statements 1997
(c) Discharge and release from lability of the Executive Board for its management and of the Supervisory Board for its supervision over the bookyeer 1997
Empowerment to acquire own shares by the Company
Designation of the Executive Board to have power of attorney, until 1 December, 1998, ax:

(a) issue ordinary shares
(b) restrict or exclude the pre-amptive right in respect of new issues of ordinary shares
up to a mediment of 10% of the issued ordinary share capital as per 13 May, 1998
Report of the Controllise of Shareholders
Corporate Governance
Any other business
ure

As of today, the agenda with explanatory notes and the Annual Report 1997 can be inspected and obtained free of charge at the company and at the offices of the banks named hersunder.

To obtain entry to the meeting and to be able to exercise the rights attached to bearw shares, holidars of bearts shares must have lodged their shares at the latest on Thursday 7 May, 1985 at the office of the Company or at the Main Office of one of the following banks:

ABN AMRO Bank N.V., Herengracht 595, 1017 CE AMSTERDAM
 MeesPierson N.V., Rokin SS, 1012 KK AMSTERDAM
 Commerzhank AG, Kaleerplatz 60281, FRANKFURT AM MAIN

The certificate of deposit from the bank will serve as admission card to the meeting.

Holders of American Depositary Receipts are entitled to obtain entry to the meeting (ADRs do not carry voting rights) upon showing an admission card for this meeting that will be issued upon request by Depositary J P Morgan, New York, at the latest on Thursday 7 May, 1996.

To obtain entry to the meeting and to be able to exercise the rights attached to registered shares, holders of registered shares must have given written notice of such intention at the latest on Thursday 7 May, 1995 to the Secretarist Executive Board who will then issue an admission card to the meeting.

Shareholders wishing to be represented at the meeting through a written proxy are being advised that their written proxy must have been received in the office of the Company by seeling fax not later then on Friday a May, 1996 (Secretarist Executive Board). When registering, the holder of beener shares will receive a form of proxy from the benic the holder of registering shares will receive a form of proxy from the Executive Board.

Royal Nections N.V. - Boomples 40 - 3011 XB Rotterdam - Tel: 31-10-400.6812 - Fax 31-10-400.6190

COMPANIES & FINANCE: ASIA-PACIFIC

JAPAN RETAILERS REPORT CONTRASTING FULL-YEAR RESULTS

# Software sales help Mitsukoshi 7-Eleven to record falls into red

in Tokyo

the country's strongest convenience store operator by posting another record profit and raising its divi-

Parent-company net profits grew 5.3 per cent to Y58.3bn (\$451m), while pre-tex profits rose 6.6 per cent to Y112.1hn, on revenues up 8.9 per cent to Y277,2bn.

The dividend will be creased from Y38 to Y42. 7-Eleven said its performance was helped by strong sales of computer game software and fast-food items. A constant factor in the company's success is its sophisticated computer system, which allows it to respond quickly to changing cus-

Asian

exposure

ANZ, the Australian banking

group, yesterday revealed it

had cut its exposure to Asia

by 38 per cent to A\$10.8bn

(US\$7bn) in the six months

The announcement, more

than a month ahead of the

bank's interim earnings

statement, follows recent

downgrades for the bank's

outlook by the two main rat-

ings agencies, because of its

Peter Marriott, chief finan-

cial officer, vesterday sought

to assure investors that gen-

eral provisioning - set for

about A\$500m this year

against A\$400m last time -

would cover some non-

performing loans, although

he admitted that additional

specific charges could be

ncluded in the half-yearly

"At this point in time we

are not disclosing non-

occrual loans or specific pro-

visions because that's part of

our May profit announce-

He stressed that the reduc-

tion in exposure to the

region was entirely due to repayment of outstanding debt. "This is not a case of

write-off. It's been customers

meeting the obligations under their facilities and

repaying - the exposures running down accordingly."

Earlier this year, Moody's Investors Service and Stan-

dard & Poor's, the credit rat-

ing agencies, downgraded

the outlook for the bank

from stable to negative. John

McFarlane, chief executive,

said at the time the down

grades were "unduly cau-

tious", arguing that the

bank had been "managing

down our overall exposure to

Asian-owned entities while

preserving relationships

A breakdown of the bank's

business in the troubled

region shows that in South

Korea, Indonesia and Thai-

land, exposure had been

reduced 28 per cent to

A\$2.8bm. However, the bank

was keeping 2 "wary eye" on

Japan, Singapore, Hong

Kong and Japan, where

aggregate exposure dropped

ANZ shares closed down 13.8 cents at A\$11.742.

43 per cent to A\$7.11bm.

with our major clients".

to the end of March.

bustness in Asia.

by 38%

By Mark Mulligan

despite overall falls in con-7-Eleven Japan yesterday sumer spending, but the confirmed its position as company warned yesterday could lead to flat sales on an existing-store basis for the

corrent year.

However, store openings will continue at an incressed pace. The number of 7-Kleven stores in Japan grew by 439 during the year, with 450 new stores planned this year. In contrast, 7-Eleven's

original parent company, the Ito-Yokado supermarket chain, saw consolidated net proffis fall 5.4 per cent to free goods. Y70.5hn in the year to the end of February.

to Y212.7bm, on revenues up 8.7 per cent at of Y3,129.6bm. At the parent-company level, net profits fell 4.2 per cent and unfair pressure.

ANZ cuts China tightens

By Landot Lucus to Hong Xong

Asia World Television

yesterday applied to the

take control of the smaller of

Hong Kong's two terrestrial

Lim Por-yen, the majority

owner of ATV, told govern-

ment radio that the compa-

ny's new chairman would be

Wong Po-yan, head of the

Airport Authority. Mr Wong

is considered close to Belling

and served on the Beijing-appointed Preparatory Com-

mittee, which oversaw the

The head of another TV

company said the move

highlighted China's desire to

control the media in Hong

Kong, despite its claims to

the contrary. "If they want

to control Hong Kong, they

have to use local media," he

Mr Lim said the buyers

were a US and Hong Kong

consortium. Analysts believe

there may be a link with

Shares in MAS, owner of

fell more than 6 per cent yes-

complex restructuring to

ease the debt burden of Taju-

din Ramli, its executive

chairman and controlling

MAS declined to comment

on the reports, which said

Mr Tajudin would borrow

against MAS aircraft to pay

what is reported to be nearly

M\$800m (US\$217m) in per-

sonal debts. This would be

achieved through the forma-

tion of a company, MAS Cap-

ital, which would buy and

shares in TRL the telecom-

refinance MAS strengt.

in Kunin Lumper

shareholder.

handover of Hong Kong.

TV stations.

**HK TV links** 

Hong Kong government for a Shridharani, media analyst change of ownership, fuel- at Salomon Brothers in

ling speculation that Beijing-linked interests are set to issue is the possibility of

the US party is led by an developer, owns 27.5 per overseas Chinese, and that cent; and Stanley Ho, the

Phoenix, Rupert Murdoch's the remaining 5 per cent.

MAS shares hit

by revamp report

Malaysia's national airline, prime minister, said the gov-

terday after reports that the owned the airline and holds

company was planning a a golden share with veto

MAS Capital would also companies privileges, which purchase Mr Tajudin's analysts lelt demonstrated

munications company, and commitment to institutional

vices, through which he con- corporate governance.

Malaysian Helicopter Ser- regulations and transparent

Existing-store sales grew to Y41.3bn, while pretax by Bether letter 1.9 per cent during the year, profit rose 1 per cent to

per cent on a same-store basis, and the company said it expected zero sales growth

per cent to Y8,890, in a mar-ket down 2,55 per cent. Ito-Yokado was down 2.37 per cent to Y6,990.

The offices of Lawson, Japan's second-largest convenience store chain, were yesterday raided by the Fair Trade Commission on suspicion of putting pressure on suppliers to provide it with

and of February. practices in the Japanese Ito-Yokado's group pre-tax retail sector often involved profits edged up 0.2 per cent rebates from suppliers to retailers, and that it could be difficult to draw a line between common practice

Supermarket sales fell 2 Japanese department store chairman, in October. Shares in 7-Kleven fell 0.6

net profit of Y3.41bn the previous year.

One analyst said business a year ago.

Mitsukoshi, the upmarket operator, fell Y34.6bn (\$268m) into the red in the half-year stage that it would year to the end of February. dropped 4.3 per cent, while pre-tax profits totalled Y4.44bn, down 59 per cent from a year earlier. An extraordinary loss of Y44.6bm pushed the company into a net loss of Y34.59hm, after a

The Y6 dividend will be

Mitsukoshi's problems stem from losses at a golf course development subsidjary and the collapse in con- younger generation. sumer spending since an

The results were in line with the company's revised

Poor half-year results led to the resignation of Yoshiaki Sakakura, Mitsukoshi's last

Mitsukoshi said at the write off Y44.6bn of losses The company said sales related to the golf course development, started in 1988, but it is continuing with the project in the hope of eventual profitability. Toshiko Binder, retail ans-

lyst at HSBC Securities in Tokyo, said that Mitsubishi's problems in the core department store business were particularly acute because its main customers are older shoppers, who have been cutting their spending even more severely than the

However, Mitsukoshi said increase in consumption tax it expected a return to profit during the current year. It predicted a pre-tax profit of Y7.3bn and a net profit of profit forecast in March. Y3bn for the period,

**NEWS DIGEST** 

FINANCIAL SERVICES

### Mayban-UBS launched in Malaysia

Mayban-UBS Asset Management was formally launched yesterday to offer specialised asset management services to institutional and retail investors in Malaysia.

The new company is a joint venture in which Maybank, the targest financial services group in Malaysia, holds 40 per cent equity; Union Bank of Switzerland, one of the world's largest asset managers, holds 35 per cent; and Assembankers, the investment banking unit of Maybank, in which UBS holds a.5 per cent stake, holds 25 per cent. The new company has a total of M\$700m (US\$189m) under management. Shelia McNutty, Kunta Lumpur

CONSTRUCTION

#### Ekran investor may sell stake

The controlling shareholder of Malaysia's Ekran is to self some, if not all, of his personal stake in the timber and construction company, according to sources who have seen letters Elman sent to the Kuala Lumpur Stock Exchange.

The move to restructure the distribution of Ekran's equity, of which Ting Pek Khling controls 55.7 per cent, would make way for a new, substantial shareholder in the Ekran group, the company said in a statement to the exchange ye

After the divestment, the letters suggest that the implementation and operation of the M\$15bn (US\$4bn) Bakun Hydroelectric dam project could be passed back to Elgan, Baltun was shelved late last year and the project was taken over by the Malaysian Ministry of Finance. AP-DJ, Kuala Lumpur

"I think there's a big pic-

ture to this," said Kaushik

somehow gaining access to

ATV is currently a poor

second to TVB, which ana-

lysis estimate has an 80 per

cent market share. Mr Lim

has invested US\$450m in the

station since taking over as

chairman 10 years ago, but

did not produce a profit until

"It's a daunting prospect,

having to challenge TVB

when it's been dominant for

30 years and is strengthen

ing its market share," said

According to Mr Lim, the

consortium will buy up half

the existing shares, with the balance remaining with the

current owners. In addition

to Mr Lim's own holding, his

flagship company Lai Sun

holds 16.5 per cent; New

World Group, a property

Macau casino magnate, has

troks MAS. Shares in MAS

Capital would be issued free to MAS shareholders.

Dr Mahathir Mohamad,

ernment, which formerly

powers, would not stop Mr

Taiadin from restructuring.

done nothing wrong." Dr

Mahathir said. "Why should

MAS shares closed down

20 cents at M\$2.98, contribut

ing to the 2.4 per cent plungs

in the stock market's key

Analysts said the reported

restructuring reminded

them of one several months

ago by Renong and URM.

Authorities granted those

the government's lack of

we bother about it?

Composite Index

"As far as I can see, he has

Mr Shridhumai.

the China TV market."

#### Hyundai widens retirement

Hyundai Motor, the South Korean carmaker, said it would allow all its employees to apply for early retirement to ease the strains of slowing domestic car demand. This is a step up from its earlier plan to allow only officials above management levels to volunteer for earlier retirement. AP-DJ, Secul

ARTIFICIAL LEATHER

### Asahi to double production

Asshi Chemical industry of Japan plans to double production of artificial leather to meet increasing US and European demand for use in furniture and car seats. The company will apend Y3bn (\$23m) on new production lines and lift output to 8m sq m per year by September 1999. Nikkei, Tokyo

Comments and press releases about International companies coverage can be sent by e-mail to International.companies@ft.com

NOTICE TO THE HOLDERS OF Telecom Argentina STET-France Telecom S.A. US\$100,000,000 Medium-Term Notes Series E Due May 5, 2005

NOTICE IS HEREBY GIVEN that for the interest period November 5, 1997 to May 5, 1998 the Series E Notes will bear interest at a rate of 8.9375%. Interest payable on May 5, 1998 will amount to US\$41.69 per US\$1,000 Note.

First Trust of New York, National Association, as paying agent will make payment on such date to the person in whose name the Series E Notes are registered at the end of the fifteenth day next preceding the May 5, 1998 interest payment date.

ISIN No. XS0076226942

TELECOM ARGENTINA STET-FRANCE TELECOM S.A. Dated: April 17, 1998

CIVAS International Limited Series Civas 20 ¥2,750,000,000 Secured Flooring Rate Notes the 1995/9

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Telewest's wins Gen C

by Cathy Sewire. . . . . . THE WAY 4.19% 5.00  $(1,1,q)\in X_0$ 64.44 Lipping and a

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CREATER TRACES AND THE PARTY OF THE PARTY OF

MEDIA BUYING GROUP COULD BECOME A TARGET FOR PREDATORS AS VENTURE CAPITAL FUNDS AND GROSS FAMILY SELL STAKES

# More than 30% of Aegis put up for sale

By Susanna Voyle

it hit troubled times said give somebody the chance to ment support is crucial." yesterday they were selling build a big stake," seid one their stakes, which make up analyst. more than 30 per cent of the media buying group.

worth £256m (\$428m) at yes-

Aegis open to predators at a would be ill-advised given time when the industry is that this is a people business is stake of 264.8m shares for Hoare Govett.

The sale of the shares, was unlikely to spark a hoswhich together with a stake tile takeover and instead being sold from France are gave Aegis an opportunity to widen its shareholder base.

The shareholders who rode moving towards specialised in which client relations are more than nine years, while to the rescue of Aegis when media buying. This could very important and manage. Electra has held its 63.4m for

> being sold by Warburg Pin- involved in refinancings of end of the month However, Crispin Davis, cus, the US investment firm, the company in 1992 and chief executive, said the sale | Electra Private Equity Part- 1988. ners, and the Gross family of France, which acquired its shareholding when Aegis bought the Carat business in

about five years. Both ven-

Analysis said the shares, held to funds which expire this year, could be expected to reach between 70p and 80p each. The placing is being

intional investors through a been expanding globally book-building process which from its European base as The 358.2m shares are ture capital funds were is expected to close by the more of its clients consider The price will be

> closing date. The shares yes- per cent to £43.5m on turnterday fell 7p to 7214p. advertising space and time pre-tax profits of £49.5m and

Albert Fisher, the produce

and seafood group which has

been in turmoil since it received a tentative bid

approach last summer, is

maintaining its interim divi-

dend at 1.85p in spite of a

After exceptional costs of

235.5m (\$60m), the group

reported a pre-tax loss of

£22.9m in the six months to

the end of February, com-

pared with a profit of £19.1m

Neil England, chief execu-

tive, said: "These are poor results." But he said there

were underlying positive ele-

ments to build on. The group

said second-half profits

should "show recovery to a

level closer to that reported

for the second half of last

In that period profits

before tax and exceptionals

were £21.2m. Analysts cut

their full-year profits esti-

a year earlier.

sharp decline in profits.

has an estimated market They will be sold to insti- share of 12 per cent and has

global strategies. Aegis last month reported announced shortly after the annual pre-tax profits up 10 over up 6 per cent to £3.65bn. Aegis pools the buying of Analysts are forecasting 1996 for its clients, achieving con-earnings per share of 3.6p.

exceptionals. That would

leave the annual dividend of

3.75p uncovered by earnings Mr England said the interim

dividend of 1.85p had been

maintained after a "big dis-

cussion" in the expectation

the board would have a

clearer view at the year end

Michael Landymore, ana

lyst at Henderson Cros-

thwaite, said: "It would

appear the board have yet to

realise there are more ways

to enhance shareholder

value than stripping reserves to pay the divi-

dend." Tim Potter, analyst at

Merrill Lynch, predicted the

group would cut its final div-

idend, of 1.90, and next

year's interim payment as

well, to leave the annual

Analysis said the share price, which fell I ip to

2814p. reflected market

expectations of a dividend

Profits were affected by

rate st about 29p.

of whether to cut it.

### COMMENT

### Aegis

Share price since rights issue (pence)

Consumers groan at the back-breaking size of their Sunday newspapers: their eyes glaze over at yet another cable cooking channel. The ponytails in the advertising world call it fragmentation of the media land- 50 scape. And guiding clients through it has become an international business in its 40 own right. It has certainly 30. restored the fortunes of media-buyer Aegis, a near-casualty of the advertising hubris of the last decade. Following yesterday's news, Aegis is even in danger of becoming a normal company

again, with a broad shareholder base. Three investors who propped up the company in its restructuring five years ago, are selling their holdings: a whopping 353.2m shares, or 36.5 per cent of the equity. It is a testament to the turnaround at

20 John Mary 05

Oct 83 1994 95

Aegis that the shares dropped by only 9 per cent. That leaves them trading on 19 times 1998 earnings. This is in line with the market, which looks undemanding. Aegis has consolidated its position with a large slice of the European media buying business. And a buoyant advertising market has led to double digit carnings growth. There are risks. As multinationals hand over over their media buying needs to fewer agencies, they expect bigger discounts. But this is a company that has earned its restored reputation. At these levels, the shares are at a discount to many of its peers, such as CIA, WPP, and Omnicom, and look attractive.

#### Prumier Fameli

The one big problem with departing chief executives is that they have to be replaced. Three months on, Premier Farnell still needs a firm hand on the tiller. There was little that was encouraging in yesterday's figures, even if the worst was already spelt out in graphic detail three months ago. The slowdown in US sales growth has apparently stabilised. But the double digit growth rate hoped for before the fateful Premier acquisition is a long off yet. Management actions, such as tightening the discounting policy on the US component catalogue, are sound. But with the US troubles hogging management attention, Premier Farnell is leaving the way wide open for its competitor, Electrocomponents, to steal ahead in continental Europe. Once installed in this lucrative market, Electrocomponents will be a fearsome rival indeed

### terday's price, could leave "To make a hostile move Arriva warns of Albert Fisher sinks into red downturn

in car leasing

128 45

Shares in Arriva, the UK transport group formerly outstandi known as Cowie, fall by through more than 7 per cent yesterday after the company issued a downbeat trading statement at its annual meeting, warning that profits at its car leasing division would be unlikely to match the levels achieved last year.

The group said that it was being hit by competition in the UK leasing market and operating profits at its leasing division were likely to be below last year's £57.6m (\$96.2m).

Analysts had been expecting profits at the division. which accounts for about 40 per cent of the group total. to grow by about 5 per cent this year. They cut full-year forecasts by some 5 per cent to £105m. The shares fell 36%p to 475p.

Arriva's car leasing division has grown rapidly over the past three years. Contracts outstanding have said its bus division had increased from 65,000 to just made an "excellent start to under 80.000.

crystallises at the end of the tions. The motor division lease period - typically three was also performing years. Arriva had been pre- strongly.

the business as the benefits of the growth in contracts outstanding started to come

Analysts said the warning came because the market for second hand cars in the UK had weakened unexpectedly. The residual value of cars returned from lease is an important element in the overall profit achieved over the life of the contract. "Residual values have

turned out to be rather lower than the company had expected," said one analyst. The warning had a limited impact on other car lessing companies. Shares in Lex

Service fell 5p to 576p, while Avis Europe lost 7p to 226<sup>1</sup>/sp. Analysts said that Arriva had been singled out

because the company had been more confident than its competitors about the outlook for the leasing business. Arriva said that its other divisions were doing well. It the year", and that it was Most profit on contracts continuing to seek acquisi-

# Neil England is no longer looking out of the window and blaming

For most UK investors, the

division, which holds its port

port interests alone may of the Australian division's profits.

great deal more money. Australia's docks industry

one of the last great havens of old-style closed shop trade unionism. Until now, the Maritime Union of Australia has controlled the water-

should be reformed. Following recent changes to the country's labour laws, P&O's main competitor, Patrick Stevedores, tested the new laws by sacking its entire

P&O is trying to change

working practices in negotia-

Both companies would

Editorial Comment, Page 17

### mates from about £35m to losses in north America and £31m-£32m (£41.5m), before the strength of sterling. Oz docks fight | Farnell fails to reassure the City may lift P&O

Premier Farnell yesterday failed to reassure a City to 368p. audience hoping to hear that the worst was behind the electronic components distributor.

issued two profit warnings, down from £982.8m - includsuffered analysts' down- ing £354m from discontinued The union is picketing the grades and sacked its chief operations - to £743.6m. from the US and the UK

profits in line with its last warning. The shares fell 1p

Pre-tax profits for the year to February 1 fell from £173m - including an exceptional profit of £43.3m - to The group, which has £139m (\$232m), on turnover

chairman and acting chief a chief executive to replace Howard Poulson, who lost his job at the end of January, was "progressing very satisfactorily".

A choice from a shortlist made up mostly of people

Morton Mandel, deputy resigned after a year in which the shares underperexecutive, said the search for formed the market by 60 per

> Analysts said they did not learn much from the meeting, "People gave up asking questions because they just weren't answering them, said one. Let's hope they get a new chief executive soon. they desperately need one."

www.FT.com

### Telewest's £649m wins Gen Cable

Dy Carry Harmon

General Cable, the fifth Gary Ames, chairman of US biggest UK cable company, has accepted a 2649m (\$1.08bn) offer from Telewest Communications, the second biggest. General Cable shareholders will be offered 1.243 Telewest shares and 65p in cash for each share. The announced almost tripled Générale des Baux of France, General Cable's largest shareholder.

Stephen Davidson, chief had expected Mr Davidson, who has spent five-and-a-half years with the company, to head the newly enlarged temporarily replaced by

cer, until a permanent replacement has been found. West International, one of four North American groups sharing a 78 per cent controlling stake in Telewest, will chair the new group, which will cover about 5.8m homes. Yesterday General Cable

offer has been accepted by pre-tax losses of £89m (£29.8m) in 1997 after refocusing its business on tele-The company was ham-

tor, said that, following the

executive of Telewest, is to pered by a 236.6m excepleave the company with tional charge, following the immediate effect. Analysts decision last October to concentrate on telecommunica tions rather than television. David Miller, finance direc

group. However, he will be merger, the focus on telephony at the expense of television would change, but it

turmoil that has engulfed Australia's container ports this week may seem remote. laws by sacking its enti-But for shareholders in Pen-1,400 unionised dockers. insular & Oriental Steam Navigation, the interna- company's terminals while it executive over the past two Operating profit was £151.2m should be made within two waterfront fight down under

offers big potential benefits. P&O is a leading investor in the Australian ports industry, controlling about 55 per cent of the local market for container shipping.

interests, made profits of some £70m last year - about 12 per cent of the total. Analysts estimate that the have contributed one-third

But P&O's container ports could potentially make a

is, by common admission,

# the sackings were legal. tion with its workers and

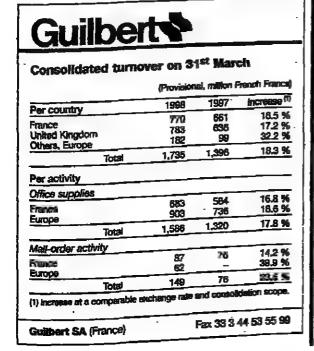
has backed away from confacilities remained open, but The group's Australian it has benefited by picking up cargoes which can no longer be landed at Patrick's

welcome an end to the dominance of the MUA, which has resulted in overnamed ports and low productivity. Analysts believe that

reform of the Australian waterfront is inevitable and they are sharpening their pencils in the expectation of greater profits from P&O's Australian operations.

"It does now look inevitable that things will move in P&O's favour." said Peter Bergius, transport analyst at ABN Amro.

#### The dispute centres on David Van Valkenburg. Telewest chief operating offi- was not yet clear how. whether working practices RESULTS (248 ) 4.334 (248 ) 4.334 (2102 ) 0.405 (9.24 ) 1.74 (55.7 ) 8814 1.88L 12.4† 68.9 8.8 22.8L Albert Fisher ........ 6 miles to Feb 26 🖈 619.8 (1.57 ) (16.3 ) (48.5 ) (2.5 ) (9.6L ) (8.3 ) (8.26 ) (14.33L) (36.5 ) (17.81 ) (8.4L ) (0.276 ) (0.5394) (29.8L ) (1.08 ) (5.53 ) (0.756L) 2.25L† 10.66† 5.85L 25.3† 37.85 (11.9 ) (72.2 ) 0.668L 7.35 \_Yr to Dec 31 June 12 (0.083 ) 0.3411 (982.8 ) 139 (8.61 ) 3.06 7.2 (173¥) (1,78) (2,64L) Yr to Feb 1 745LE BF6 (e) 2.05 Murray VCT 2 \_\_\_\_\_58 wiss to Feb 28 98.4 Earnings shown base. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exception charge. Af



MFS AMERICAN FUNDS Social d'investissement à Capital Variable 47, Bouteverd Royal, L-2449 Lucembourg R.C. Lucembourg No. B-38,846 NUTTICE OF MEETING

We have the pleasure of insting you to attend the Armed General Meeting of stereholders, which will be held on April 27, 1988 at 10.00 a.m. at the offices of State Street Bank Lucasioung S.A., 47 Boulevard Royal, L-2449 Lucambourg, with

entation of the reports of the Soard of Districture and of the Auditor. year of the balance sheet, profit and that account so of December 31, 1997 and

the electron of the response.

Discharge to be gained to the Directors and to the Auditor for the fleet lyser ended December 31, 1997.

Astern on material of the number of december from 7 to 9 and on nomination for the electron of Directors and Auditors for the ensuing year.

Disclosure regarding the Directors' recommendation for the disclosure of children's according to the prospectus and the Articles of improposation.

Any other business which may be properly brought before the meeting. The shandholders are advised that no quorum for the litere of the agencia is required, and that the decisions will be talten at the majority vote of the share present or supresented at the Meeting. Each starre is entitled to one vote. Authenholder may act at any Meeting by printy. Fromy literate, are available upon request at the registered office of the form.

By order of the Board of Ofrectors

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**GOVERNMENT BONDS** By Vincent Boland in London and John Labate in New York

Markets closed mixed yesterday ahead of today's meeting of the Bundesbank's support from a lacklustre Brown, chief European econ- 2 basis points to stand at 100 but recovered quickly. council and still digesting the outcome of the Group of Seven industrial countries' meeting in Washington.

European markets closed trading amid continuing speculation that the Bundesbank might be tempted to next meeting. raise its repo rate. But this was deemed unlikely by ana-Hans Tietmeyer, Bundesbank president, would not be attending the meeting.

Activity in the cash markets was generally light, with a long Easter holiday still weighing on volumes, while futures markets were

moved smartly higher in two months ago. It was close had given up almost all the gains after getting little last October," said David opening in the US Treasury market. There is likely to be little change in sentiment today as investors watch the central bank meeting, but generally unchanged in light the consensus was that the 107.59, with less than 205,000 3.3 per cent until at least the

Analysis noted that yields at the front end of the Ger- in a 19-point range all day. lysts, who pointed out that man bond market have been edging up in recent sessions, pricing in uncertainty on the interest rate front raising the possibility that the Bundesbank would pre-empt further speculation by lifting

the repo rate soon. "Already the spread of

GERMAN BUNDS had besis points from 48 points when the Bundesbank hiked omist at Bear Stearns. "Expectations are starting to

move pretty quickly here." tled only 0.04 higher at cue from the German marrepo rate would remain at contracts traded in Frankfurt by late afternoon. Earlier the future had been as high as 107.81, but was stuck

Bunds nevertheless managed to outperform UK 16-year note rose % to 99%. GILTS, which fell on a gen-yielding 5.578 per cent, while eral lack of domestic news and some profit-taking ahead of the Bundesbank meeting. per cent. An economic survey from merce showing manufacture 2.8 per cent in March to a target for the year."

New international bond issues

the repo rate has risen to 85 ebb contained few surprises. The June gilt future settled & lower at 109% with 22,000 to 289,000 claimants early trading but by the around 100 basis points 55,000 contracts traded on for the week ending April 11. the Liffe floor. The spread over 10-year bunds widened on the new labour report,

> basis points by the close. were flat to modestly higher lar on the day after the G-7 The June bund future set- in quiet trading taking their meeting. There was relief in

> > US TREASURIES made small gains in morning trade. By early afternoon the benchmark 30-year bond price had gained & to 1032. yielding 5.867 per cent. The two-year notes were ± higher at 99%, yielding 5.515

Among the day's economic

rangebound in fairly thin two-year German yields over ing confidence at a very low 1.59m units. In a separate report initial unemployment insurance claims fell by Treasury prices weakened

Helping morning Trea-Other European markets suries was the stronger dolthe market that there was not an endorsement of a concerted effort to support the value of the yea. But some did not rule out more intervention in the future.

"In a way the G-7 is still endorsing the idea that the yen shouldn't depreciate too much," said Kevin Logan senior market economist at Dresdner Kleinwort Benson. "But right now there's not been an aunouncement that the British Chamber of Com- reports, housing starts fell there is a line in the sand as

### **Turkey** launches Isbank offering

Turkey's on-off privatisation programme, which has been dogged by political uncertainty, was given a boost yesterday when the government launched the public sale of its 123 per cent stake in Turkiye Is Bankasi (Isbank), the country's main privately owned banking

The sale, the largest international equity offering from Turkey to date, is expected to raise about \$500m and comes as the government is attempting to privatise Turk Telecom, the telecoms monopoly recently valued at up to \$10bn.

The offering of Isbank shares is the biggest of several equity issues from Turkish banks expected this year. Earlier this month, a small stake in Akbank was sold by the Sabanci family, one of Turkey's leading business dynasties, for \$140m.

Salomon Smith Barney is global co-ordinator and bookrunner for the international tranche of Isbank, and shares are also to be offered to the Turkish public. International investors can buy either ordinary class C shares, listed in Islanbul, or global depository receipts listed in London.

Local investors will be offered shares at a discount to the price international estors will have to pay, and they may be able to pay in instalments,

An international roadshow for the issue got under way vesterday. Pricing of the shares is expected to be announced in the week beginning May 4. If the gov-ernment achieves the price it hopes to get for the stake, lebank would have a market value of about \$4bn.

#### **NEWS DIGEST**

EUROPE

### Sweden leads way with dual-currency offering

Sweden yesterday became the first European sovereign to issue a euro-denominated bond with a parallel domestic currency bond. The National Debt Office said the deal would feature an E2bn 11-year benchmark bond, to raise the equivalent of SKr17bn. This would be followed by a SKr3bn government bond with identical characteristics, including the same matu-

rity and coupon size.
The Issue, which is led by J. P. Morgan, SBC Warburg Dilion Read and Benque Paribas, would make Sweden the secand non-prospective European single currency member after Greace to issue a suro-denominated bond.

Enk Thedeen, head of funding at the Swedish National Debt Office, said the Issue was a strategically important step, broadening the investor base evaluable.

The parallel element would simplify comparisons between interest rates in knonor and those in the rest of Europe and give the option for conversion into euros if Sweden joins economic and monetary union at a later date. Sweden's ruting Social Democratic government has

adopted a wait-and-see stance towards membership of EMU. lowever, the debt office stressed it was in the country's interest to saek close links to the new currency area, regardless of whether Sweden joined.

The euro bond is likely to be launched next week and the lerona bond will be auctioned on April 29, if successful, Sweden is likely to become a more active borrower in the euro market, Mr Thedeen added. Greg Michor, Stockholm

#### IPOs off to slow start

New US listings, or initial public offerings, are off to an unusually slow start this year, down 15 per cent from lest year's levels and at their lowest rate since 1995. This is in spite of the surging level of the stock market in recent months, Sequrities Data Company, the Newark-based research concern which tracks the IPO market, found that as of April 15 there were 129 new issues, down from 152 in the 1997 period.

The pullback is more dramatic if non-US companies, closed-end funds and real estate investment trusts are excluded. The number falls to 99 new issues since the beginning of the year, the worst performance since 1991.

"it's been dead as a doomail," said Richard Peterson, research director at SDC, "Everyone is hawking the fact that we have this great proliferation of IPOs, but since November the volume of new IPO deals has been emittic."

Recent rumours of brokerage takeovers may be adding to the sense of caution. Hambracht & Quist, a leading technology underwriter, has been viewed as a takeover candidate in recent months as the financial services industry consolidates. However, those iPOs that have come to market have performed well. IDC calculates that IPOs have risen 30 per cent on average since the start of the year, nearly twice the gain of the S&P 500. John Labate, New York

## Telstra grabs attention with DM1bn debut

INTERNATIONAL BONDS

points over the 10-year bund.

Bank, joint lead with CSFB.

said that more than 80 per

cent went outside Germany.

Much of the demand came

from UK funds, But French

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

11.000 105.0604 7,290 115.5914

6,000 102,8100 4,46 — 6,250 105,5200 4,74 — 6,789 112,3800 8,06 — 7,288 124,5400 8,53 —0,02

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01/99 11.000 104.4538 467 H003 +0.01 H0.03 -0.15 0507 8.000 120.7980 5.13 -0.03 H0.00 +0.12 -2.00

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| Techs | Bunch | T-Bonds | T-Bonds

7 000 888- 98,9193 7.125 888- 103 2348 10 000 88- 96,8500

7,750 BBB+ 104,3335 8,750 BB+ 95,0990 7,750 BBB- 92,3394

97.5000 98.6500 121.6000

76,6300 83,6300 85,1300

9.750 88 10.125 88-11.500 88

10 YEAR BENCHMARK SPREADS

EMERGING MARKET BONDS

Agricultural Agricultural Austria Belguera Camaria France Camariany Indiana de Saly Japan Herbertanda

R BROFT

29-LATER AMERICA

09/27 05/27

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08/07 6.125 106/2970 5.89 -0.00 -0.0 Source, Interesting Material Information and yard Delle. Matte shown for hely exclude well-being the at 12.5 per

An official at Deutsche

bought heavily. By Edward Loos Telstra, the partly privatised Australian telecoms company, grabbed the limelight yesterday with a well-timed

debut in D-Marks. The DM1bn offering - also the first by an Australian corporate in D-Marks - had already tightened by more D Marks. The World Bank also than I basis point last night from its launch spread of 34

and Dutch investors also "French and Dutch funds

are piling into D-Marks in advance of Emu," said the official. "The D-Mark sector is by far the most liquid in Europe as Emu approaches. Officials said yesterday's issue was helped by the fact that 10-year corporate offerings are still rare in

enlivened a generally sleepy eurobond market yesterday with a \$1bn three-year offering. The bond, priced to yield 125 besis points over Treasuries, is expected to prove popular with retail

Real Bild Bild Day chip Wilk chip bloomits Years' Date Compan Price Yield yield yield chip yild only yild 04/00 7.000 103.9228 4.90 -0.02 +0.02 -0.12 -1.83 1007 10,000 132.0333 5.68 -0.01 +0.02 -0.16 -2.25

08/98 7.008 103.7695 4.16 - +0.73 +0.15 +0.16 67/67 8.625 104.9100 4.86 - +0.68 +0.08 -0.91

08/86 4.780 98.6200 6.02 +0.10 +0.18 +0.10 +0.18 08/87 7.250 113.6000 5.29 +0.04 +0.08 -0.57 -1.46

13/99 6.000 102.4200 4.42 +0.01 +0.02 +0.26 +0.32 11/07 7,000 114.2300 5.04

-2.18 -2.27 -2.50 -2.37

+0.04 +0.05 +0.03 +0.03 +0.01 -0.09 - -0.12

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|--------------|---|---------------|------------|--------------|--------------------|--|-----------------|-----------------|---------------|
| H U          | DOLLARS   |               | . 12       |              |                    |  |                 |                 |               |
| Work         | i Bank  | 1.0bn         | 5.625      | 100.8775     | Apr 2001           | 1.375  | +12%(3)(45)     | ) Lehman Broth  | NE.           |
|              | MARKS   |               | -190       | The state of |                    | 73.学   |                 |                 | 23.500        |
| O'tec        | he Finance Netherland   | ds 1.5bn      | (0,0)      | (44)         | Jan 2009           |  |                 | Deviache Bard   |               |
| Telst        | a Corp  | 1bn           | 5,125      | 99,472       | Apr 2008           | 0.325  | +34(5Y-JerOB    | Doubsche Barti  | £             |
| iriquits     | deneruo   | 125           | 12.50      | 99.75        | Apr 2001           |  |                 | ) SECWOR From   |               |
| <b>3</b> 5   | (ERLING   | 45.000        | . b'y      |              | THE REAL PROPERTY. | A STATE OF THE STA |                 |                 |               |
| Credi        | k Local de France   | 206           | 6.375      | 99.417       | May 2003           | 0.250  | +40(3%.).003    | Lehman Broth    | 200           |
| m Y          | DN TOTAL  | 4             |            |              |                    | and the  |                 |                 | <b>学</b>      |
| Land         | esgiraicasse  | 20bn          | 1.3(c)#    | 100.10       | Apr 2003           |  |                 | Stylerische Hy  |               |
| LBS          | CONTROL OF COLUMN   | 20bn          | 1.2648     | 100.10       |                    |  |                 | Bayerische Hyp  |               |
| Nord         | disulucion LB   | 20bn          | 7.2(4)8    | 100.10       | Apr 2008           |  | -               | Beyerleche Hy   | 00            |
| Bram         | er LB   | 20bn          | 1.3640     | 110.10       | Apr 2008           |  | -               | Bayaniche VIII  |               |
| Bayo         | rische Hypo   | 12.5bn        | 1.3(4)0    | 110.10       |                    |  | -               | Bayerische VS   |               |
| Helet        | e Finance   | 18.80n        | 1.3(4)4    | 110.10       | Apr 2003           |  | -               | - Beywrische VS |               |
| West         | taellacha Hypo  | 13.8bn        | 1350       | 110,10       | Apr 2003           | undigel  |                 | Bayerlache VB   |               |
| 11.07        | NUMBER OF STREET  | 1.18          |            |              | * = 1              | V  |                 |                 |               |
| Cred         | 600   | 100bn         | (c)        |              | May 2008           |  |                 | - IM Bank Lose  |               |
| <b>■ R</b> t | OLUMNUM   |               |            | STATE OF     |                    |  |                 |                 |               |
| EBRI         | X(b)  | 300           | 31.00      | 99.85R       | May 2000           | 0.85R  | •               | ING Barings     |               |
| #Semi        | erms, non-cultable un<br>-annual coupon, R: for<br>n in May 03, min 169 | ed re-offer o | rice: fees | STOWN ST.    | ne-offer leve      | LaiPrio  | ed today, bij A | l payments in V | 85. c) Single |

The World Bank was able ary market spreads on its offering priced at a relatively five-year eurobond because swap spreads have widened in the past week. The bond was lead managed by Leh-

BOND FUTURES AND OPTIONS

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Spread Spread to the spread of the spread of

offering went to continents Crédit Local de France to offer a more generous returned to the sterling marspread than on the second- ket with a £200m five-year generous spread of 40 basis points over five-year glits.

Nafin, Merico's domestic development bank, is to make a rare visit to the international bond markets An official at Lehman today with a \$150m five-year floater. It will be lead managed by HSBC Markets. about 75 per cent of the

| ND                 | FUTU  | RES A  | ND OP  | TIONS  |  |   |  | Est  |  |  |  |  |  |  | . 1  | INTERN  | ATION  | AL E   |  |  | 86+  | Duy/o   | With's   | Speed<br>T  |
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|                    | Opes<br>104.14  | Self price<br>104.12   | +0.00  | High<br>194.30   | 104.00   | 4,926   | 113,159  | US CORPO   | RATE                                   | BON  | DS   |  |  |  | 4  | <b>S</b><br>pair  | 01.  | A07 5.   | 3,790  | AA 105   | 3000   | 4.81 -0.<br>4.87 -0.  | 11 +0.0  | +0.17   |
|                    | 193.72  | 103.88   | +0.09  | 163.72   | 105,72   | 2   | 171  |  | Red                                    | 8  | 48   | , INC .  | Cingris<br>Idchgo.   |  | y - 8  | tello Morsia<br>Totano PRM  |  | VOR , S.   | .376<br>1.570 -  | AA 190.  | A105   | 5.04 -0.<br>4.02  | – . +0.1∙<br>– . +0.1•   | -0.30   |
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|                    | 0.3   | 15 Q.5   | 98 0   | 1.56<br>1.57<br>1.51   | 0.30   | 0.55<br>1.16  | 1.26<br>1.50   | B. PRIORILE  | × 34.001                               | 1.2  |  |  |  |  | \$62.  |   |  |  | 800  |  |  | CO.   |  | W. F.   |
| L mint, i          | 0.0<br>1 300.9 elec   | 14 0,1<br>Pale 14,345 Pro  | iskur galar di<br>isk  |  | 1356<br>1720 Pala 87   |   | Lati   | SECC<br>Basic Com  | 05/87                                  | 8.75 A<br>7.25 A   | AA NTZ   | 1941 6.1<br>8701 6.2   | 7 -0.01  | +0.07  | +0.56  | M<br>bboy Mat   | 02   | V00 6  | 1800   |  | 5000   | 6.06<br>4.81  | 0.10<br>0.00   | +0.18   |
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| te s to            | 7   |  |  |  |  |   |  | MACK TOOM  | . 3-3                                  | €.25 E   |  | 0964   | 3 -0.85  | -8.04  |  | 2 (100)   |  |  | 1  |  |  |   | 2 7 6 6  | -,4/  |
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|                    | Open<br>107,75  | Sett price<br>107.55   | Change<br>-0.06  | High<br>107.85   | Late<br>167,52   | Set. vel<br>57096   | Open let.<br>188257  | Corpor Fluid<br>De Andreas   | 10021                                  |  | J. Cart. 1   | 10-0 14 N  |  |  |  | Hinds Gen.<br>Divey Nat (17)  |  | /02 7.   | 713  |  |  | 6.06 +0.  |  |   |
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|                    |   | CAL  |  |  |  | PETS -  |  | 1708<br>18 1808 198.0 3  | 08/96                                  | 8.95 N   | ** ***   | .6571 5.1  | م دو تا ما ما  | e eye .  |  | sebec<br>Moorp FRM  | 02   | AD4 5.   | .734   |  |  | 6.27 -0.<br>5.80 -0.  |  |   |
|                    | 14ay<br>0.35  | .lm<br>0.65 (  |  | Nap M<br>99- 0.1   | 6 0.44   | 0.79  | 1.10   | Stone Chart  | 6201                                   | 9.86   |  | <b>5790 B.</b> C   |  | 4,7 4 4  |  | W 15000 CD  |  |  | E-   | 146  |  | 6.00  |  | 200   |
|                    | 6.11  | 0.3?   | 1.46 d.  | 75 Q.4<br>57 D.1   | t tm   |   | 1.36   | AK 35<br>Pecalin   | 12/01<br>66/04                         | 9.13 EE  |  | 2000 0.0<br>7500 0.6   |  | Ξ  | _ 1  | prosito<br>Prosito  | 05   | 704 B.   | .500   |  | 5733   | 5.86 +0.<br>5.59 +0.  | M -0.0   | +0.15   |
| l. 1001,           |   | Pie IISS P   |  |  |  | E 20000   |  | off chairs. Standard &   | Poer's ratio                           | gs. Yallic as  | al-drawed hards  | . de   | E History  | Balleff Salar  |  | led Carada<br>Bulache B TT  | W 09   | VO2 8.   |  | A+ 105   | 7923<br>4429   | 5.50 +0.<br>5.50 +0.  |  |   |
|                    |   |  |  |  |  |   |  | US INTERE  | ST R                                   | ATES   |  |  |  |  |  | M ESWA (Si<br>lorts Back  | E. et /a/a   |  | 200  | AAA 116.   | -,   | 1.06  |  | +0.18   |
| 41.1               | -   | DEND PRO   | () Tollows   |  | 1056,000 1   | 000s of 180   | _  | Latest   |  |  | Ymen   | av Elle an   | Boart VI-4   | ide.   | — ş  | ioni sant<br>ipain<br>and Fonder  | 03   | VO2 5.   |  | AA 118.  | 1500   | 1.01  | 0.0  | +0.18   |
|                    | Opes<br>104.98  | Sez price<br>104.94  | +0.03  | High<br>104.98   | 104.86   | 101,915   | Open Int.<br>216,125   | Name and Associated  |  | Que mon  |  | - 3  | PART AND THE   |  | 545  | My FRM  |  |  | 1.797  | AA 100.  |  | 1.49 +0.<br>0.21 +0.  |  |   |
|                    | -   | 194,82   | +0.05  | -  | -  | 200   | 6,741  | Belor leas rate<br>Fed books   |  | Three pa   |  | _ 502  | or year<br>O-year<br>O-year  |  |  | index closing.  |  | 1000   | -  |  | -  | Descript Inter-   | der Date/Fi  | idensia   |
|                    |   |  |  |  |  |   |  | fed.funds at Interval  | - 100                                  | One year   |  | _ 5.36 1   | U-700°   |  | 5.97   | -   |  | _  |  |  |  | -   |  |   |
|                    |   |  |  |  |  |   |  | THE PERSON NAMED IN  |  |  |  |  |  |  |  |   |  | -  | _  |  |  |   |  |   |
| NIT CHILD          | L CENSUS  | SOUR PORTE   |  | OM250,000  | 1000ks of 1  |   | Onder ha   | UK BOND  | S                                      |  |  |  |  |  |  |   |  |  |  |  |  |   |  |   |
| THOMA .            | Cyco  | Set price<br>104.91  | Change<br>-0.13  | (MZS0,000<br>High  | Low  | that, wall  | Opto lat.  | UK BOND<br>FTSE Actua  |  | Govt. 8  | Securitie  | 25   |  |  |  |   |  |  |  |  |  |   | UK Ir  | ndices  |
| TTQHA<br>AMOUNT    | Open  | Set price  | Change   | iligh  | Low  | Bat. vol  |  | FTSE Actua   |  | No.  | Clay's   | Wed  | Account  | न अ  |  |   | w compon y   |  |  | wa come  |  |   | coupte :   |   |
| ,                  | Open  | Set price<br>104.91  | -0.13<br>-0.14   | High   | Low<br>Low   | Bat. wai<br>0<br>0  | 8  | FTSE Actual Price indices IN come 1 By to 5 years (1)  | aries (                                | Thu<br>Apr 16<br>128.47  | Charts<br>change %   | Wesi<br>Apr 15<br>120,56   | intest<br>2.62   | 25.00  | 5 913  | — East<br>Ager 16   |  | inital<br>Yr. signs  | - Shedh<br>Apr 16<br>E.OS  |  | Yr. ag   | Apr 16  | Apr 15   | rield —<br>Yr. ugo  |
| ,                  | Open L (TALLAN) Open  | Sett price<br>104.91<br>104.76<br>GOVT. SCHIP<br>Sett price  | Change<br>-0.13<br>-0.14<br>(617) FB11   | High<br>MASS (LIFTE)<br>High   | Loss<br>1° Lina 200m<br>Loss   | Sat. vol<br>0<br>9<br>1000hs at 1<br>Est. vol   | 894<br>9<br>100%<br>Open M.  | FTSE ACIDE Price dedices NK colors 1 We to 5 years (20) 2 5-15 years (20) 2 Over 15 years (  | aries (                                | The<br>Apr 16<br>128.47<br>164.33<br>205.58  | Day's<br>change %  | Wedi<br>Apr 15<br>120,58<br>164,80<br>205,85   | interest   | 366  | 5 yrs<br>15 yrs  | Apr 16<br>6,00<br>5,71  | 5.96<br>8.79   | 7.25<br>7.26   | B.08<br>5.74   | Apr 15<br>8.84<br>5.73   | 7.91<br>7.67   | E.09<br>5.62  | Apr 15<br>6.05<br>6.84   | 7.38<br>7.54  |
| ,                  | Open  | Sett price<br>104.91<br>104.76<br>GOVE. \$CHO  | -0.13<br>-0.14   | High   | Lpsr<br> *   Jan 200s  | Sat. wi<br>d<br>0<br>0<br>1000bs of 1   | 804<br>8   | FTSE ACTUS Price defices Int case  1 Sp to 5 years (2) 2 5-15 years (2)  | aries (                                | Thu<br>Apr 16<br>129.47<br>164.33  | Ours<br>change %<br>-4.80<br>-0.15   | Wesi<br>Apr 15<br>120,58<br>164,80   | 2.62<br>2.67   | 1/4<br>1/4<br>2/50   | 5 yes<br>15 yes<br>20 yes<br>inud.t  | Apr 16  | 5.95   | Yr. 193<br>7.25  | Apr 16<br>6.08   | Apr 15   | 7.31   | Apr 16  | Apr 15   | ield —<br>Yr. 1190<br>7.38  |
| T THORES           | Open  E. FERELANN  Down 119.45 120.06   | Sett price<br>104.91<br>104.76<br>6097. \$000<br>Set price<br>119.45   | Change<br>-8.13<br>-9.14<br>(\$17) FITTI<br>Change<br>-0.05<br>-0.07   | High<br>1003 (LFFE)<br>High<br>119,79<br>128,08  | Low 119.21 129.65  | Sat. vol<br>0<br>9<br>1000s ef 1<br>Est. vol<br>20171<br>250  | 094<br>9<br>1807A<br>19mn 1d.<br>125911<br>4793  | FISE ACIDE Pitto Indices IN Miles 1 My to 5 years (20) 2 5-15 years (20) 3 Oner 15 years (4) 4 tendescentifus (1) 5 Miles (47)   | aries (                                | Thu<br>Apr 16<br>129.47<br>164.33<br>205.59<br>280.64  | -0.95<br>-0.95<br>-0.15<br>-0.12<br>0.31   | West Apr 15 120,56 164,80 205,85 259,85  | 262<br>287<br>3.52<br>420  | 160<br>2,60<br>1,80<br>2,21  | 5 yes<br>15 yes<br>20 yes<br>inud.t  | Apr 16<br>5.71<br>5.71<br>5.82  | 5.95<br>8.70<br>5.70<br>5.84   | 7.25<br>7.26<br>7.88<br>7.78<br>7.91   | B.08<br>5.74<br>5.73   | Apr 15<br>6.73<br>6.73   | 7.91<br>7.91<br>7.67<br>7.71   | 5.62<br>5.62  | Apr 15<br>6.05<br>6.84<br>5.84   | 7.38<br>7.54  |
| T THORES           | Open  E. (TOXLUAN: Dpsm 119.45 120.06   | Set price<br>104.91<br>104.76<br>2097. \$600<br>Set price<br>119.45<br>119.90<br>10 (677) Ferri  | Charge -0.13 -0.14 -0.14 -0.05 -0.05 -0.07   | High<br>1003 (LFFE)<br>High<br>119,79<br>128,08  | Low<br>Low<br>119.25<br>120.65<br>Unit@him 10  | Sat. vol<br>0<br>9<br>1000s ef 1<br>Est. vol<br>20171<br>250  | 664<br>6<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>128911<br>8793                              | FTSE ACEUS Pelco Indices INK Office 1 Up to 5 years (Co) 2 Up to 5 years (Co) 3 Up to 5 years (Co) 4 Introducemental or (Co) Indice United 6 Up to 5 years (Co)  | aries (                                | The Apr 16 129.47 164.33 205.59 289.64 156.51  | Our's change % -4.60 -4.55 -4.12 -4.12 -4.12   | 164 Apr 15 170.56 164.80 205.65 299.81 125.75 295.85 125.75  | 262<br>267<br>3.52<br>4.25<br>1.55   | 1/18<br>2/50<br>1/30<br>2/21<br>2/20<br>2/21   | 5 yes<br>15 yes<br>20 yes<br>inud.t  | Apr 16<br>6.00<br>5.71<br>5.71<br>5.82  | 5.96<br>8.70<br>5.70<br>5.84   | 77. HIPS<br>7.25<br>7.98<br>7.78<br>7.91   | 8 Apr 16<br>8.08<br>5.74<br>5.73   | Apr 15<br>E.M.<br>E.73<br>E.71<br>Apr 1  | 7. mg<br>7.31<br>7.67<br>7.71  | 5.02<br>5.02<br>5.02<br>10% —   | Apr 15<br>6.05<br>6.84<br>5.84   | 7.38<br>7.54  |
| T THORES           | Open E. (TALIAN) Open 119.45 120.06   | Sell price<br>104.76<br>104.76<br>60VF. \$000<br>Sell price<br>119.45<br>119.90<br>10 (677) Peri   | Change -0.13 -0.14 -0.14 -0.15 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 -0.07 -0.05 | High<br>1003 (LFFE)<br>High<br>119,79<br>128,08  | Low 1953 1200s 1953 12005 1500 1500 1500 1500 1500 1500 150  | Est. vol 0 9 1000hs of 1 Est. vol 28171 250 1000hs of 1007  | 694<br>6<br>7<br>7<br>7<br>8<br>7<br>8<br>7<br>8<br>8<br>8<br>8<br>8<br>8                  | FTSE ACRUS Frito Indices IN cline 1 By to 5 years (20) 2 5-75 years (20) 3 One 15 years (4) 4 tendescentifus (4) Indicestration (4) Indicestration   | aries (                                | The Apr 16 129.47 164.13 205.59 289.64 156.51  | Ours charge % -4.00 -0.15 -0.12 -0.12  | Wed Apr 15 120.58 164.80 205.55 259.85 156.78  | 2.62<br>2.67<br>3.52<br>4.29<br>1.56   | 1/03<br>2/00<br>1/00<br>1/00<br>2/21<br>2/20   | 5 pts<br>15 yes<br>20 yes<br>trud.†  | Apr 16<br>6.00<br>5.71<br>5.72<br>5.82<br>Apr   | 5.95<br>5.70<br>5.70<br>5.84<br>hiffallon 97<br>16 Apr 15  | Yr. ags<br>7.25<br>7.85<br>7.26<br>7.20<br>7.91<br>%.—<br>5 Yr. ag   | B.08<br>5.74<br>5.73   | Apr 15<br>6.73<br>6.73   | 7. mg<br>7.91<br>7.67<br>7.71<br>8 Apr   | 5.82<br>5.82<br>5.82<br>19% —<br>15 Yr. sg  | Apr 15<br>6.05<br>6.84<br>5.84   | 7.38<br>7.54  |
| T THORES           | Open  E. (TALIAN)  Open 119.45 120.06   | Sell price<br>104.76<br>104.76<br>GOVF. \$6049<br>SEE price<br>119.45<br>119.90<br>We (6777) Peri  | Charge -0.13 -0.14 (617) FIRM Charge -0.05 -0.07 (118) | High<br>1003 (LFFE)<br>High<br>119,79<br>128,08  | Low 200m<br>Low<br>119.21<br>120.05<br>Lingston 10   | Est. vol 0 9 1000hs of 1 Est. vol 28171 250 1000hs of 1007  | 694<br>9<br>0<br>0<br>0<br>0<br>0<br>0<br>125911<br>8793                                   | FTSE ACELE Pitto Indices lik date 1 to to 5 years (20) 2 Gate 15 years (20) 4 tradecerulatus (47) India-Balant 6 to to 5 years (57) Parit States (47) India-Balant 6 to to 5 years (20) 7 Over 5 years (20)  | aries (                                | The Apr 16 128.47 164.33 205.98 200.64 156.51 274.30 225.37 222.98   | Our's charge % -4.00 -0.15 -4.12 0.31 -0.12 0.02 -0.03 -4.03   | **************************************   | 262<br>267<br>3.52<br>4.25<br>1.55<br>1.24<br>1.14   | 140<br>2,60<br>1,80<br>2,21<br>2,60<br>4,13<br>2,57<br>2,49  | 5 yes<br>15 yes<br>20 yes<br>truc.;  | Apr 16<br>6.00<br>5.71<br>5.72<br>5.82<br>Apr   | 5 Apr 15<br>5.96<br>8.70<br>5.84<br>- Inflation St<br>16 Apr 15<br>M 2.76<br>2.76  | Yr. 1955<br>7.25<br>7.26<br>7.26<br>7.21<br>14. —<br>1 Yr. 24<br>3.6   | B.08<br>5.74<br>5.73   | Apr 15<br>8.04<br>8.73<br>8.71<br>Apr 1  | 7. mg<br>7.91<br>7.67<br>7.71<br>8 Apr   | 5.82<br>5.82<br>5.82<br>19% —<br>15 Yr. sg  | Apr 15<br>6.05<br>6.84<br>5.84   | 7.38<br>7.54  |
| THOMAS<br>MALESCAL | Open  E. (TORLINE  Dpm  119.45 120.06   | Sex price<br>104.76<br>104.76<br>2097. \$000<br>Sex price<br>119.45<br>119.90<br>20 (677) Ferri<br>Call<br>May<br>2.19   | Change -0.13 -0.14 -0.14 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 | High<br>1942 (LITE)<br>High<br>19479<br>128.06<br>MMS (LITE)   | Los 200m 1.00 1.92.55 120.05 Usagetan 10 Nay 0.95 0.21 0.56  | 8st. vol. 0<br>9 s 1000bs of 1<br>Est. vol. 36771<br>259 s 100bs of 100°  | 694<br>6<br>7<br>7<br>7<br>8<br>7<br>8<br>7<br>8<br>8<br>8<br>8<br>8<br>8                  | FTSE ACRES Pitto Indices IN Min.  1 Up to 5 years (20) 2 Gair 15 years (20) 3 Gair 15 years (20) 4 tradeconation (1) Indice Databas (47)   | aries (                                | The Apr 16 129.47 184.13 285.59 280.64 155.51 225.67 222.48  | Our's charge % -4.00 -0.15 -4.12 0.31 -0.12 0.02 -0.03 -4.03   | **************************************   | 262<br>267<br>3.52<br>4.25<br>1.55<br>1.24<br>1.14   | 140<br>2,60<br>1,80<br>2,21<br>2,60<br>4,13<br>2,57<br>2,49  | 5 yes<br>15 yes<br>20 yes<br>truc.;  | Apr 16<br>5.71<br>5.71<br>5.82<br>Apr<br>pp E   | 5 Apr 15<br>5.96<br>8.70<br>5.84<br>- Inflation St<br>16 Apr 15<br>M 2.76<br>2.76  | Yr. 1955<br>7.25<br>7.26<br>7.26<br>7.21<br>14. —<br>1 Yr. 24<br>3.6   | B.08<br>5.74<br>5.73   | Apr 15<br>8.04<br>8.73<br>8.71<br>Apr 1  | 7. mg<br>7.91<br>7.67<br>7.71<br>8 Apr   | 5.82<br>5.82<br>5.82<br>19% —<br>15 Yr. sg  | Apr 15<br>6.05<br>6.84<br>5.84   | 7.38<br>7.54  |
| THOMAS<br>MALESCAL | Open  E. (TORLINE  Dpm  119.45 120.06   | Set price 104.91 104.76 104.76 104.76 Set price 119.45 119.90 W (677) Peril May 8.55 2.19 004  | Change -0.13 -0.14 -0.14 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 | High<br>1942 (LITE)<br>High<br>19479<br>128.06<br>MMS (LITE)   | Los 200m 1.00 1.92.55 120.05 Usagetan 10 Nay 0.95 0.21 0.56  | 8st. vol. 0<br>9 s 1000bs of 1<br>Est. vol. 36771<br>259 s 100bs of 100°  | 694<br>6<br>7<br>7<br>7<br>7<br>8<br>7<br>8<br>8<br>8<br>8<br>8<br>8<br>8                  | FTSE ACRES Price indices IN ONE 1 By to 5 years (20) 2 5-15 years (20) 3 Over 15 years (47) 4 Indicember (47)  | aries (                                | Thu Apr 16 129.47 164.13 265.59 260.64 156.51 27.4.10 225.57 222.58 increases  | Our's change % -0.05 -0.05 -0.12 -0.12 -0.12 -0.12 -0.12 -0.12 -0.12 -0.15 -0. | West Apr 15 170.95 154. | intenst 262 287 322 A29 138 134 1,14 114 114 114 114 114 114   | 100<br>2,00<br>1,00<br>2,00<br>1,00<br>2,21<br>2,20<br>2,27<br>2,49<br>81-10-10-11   | S yes 15 yes 20 yes true.) The to S Over S y   | Apr 16<br>5.00<br>5.71<br>5.72<br>5.62<br>Apr<br>10s E<br>6 2   | 5 Apr 15<br>5.95<br>E78<br>5.84<br>- Inflation of<br>16 Apr 15<br>38 2.75<br>29 2.79   | Yr. ago<br>7.25<br>7.26<br>7.20<br>7.91<br>%.————————————————————————————————————  | 6 Apr 16<br>8.08<br>5.74<br>5.73<br>90   | Apr 15 8.84 8.73 8.71  | 77. mg<br>7.31<br>7.57<br>7.71<br>mbalan<br>15 Apr<br>3 2/<br>0 2/   | 5.82<br>5.82<br>5.82<br>19% —<br>15 Yr. sg  | Apr 15<br>6.05<br>6.84<br>6.84   | 7.38<br>7.54  |
| ALUGE<br>Control   | Open  E. FERLIAM  Open  119.45 120.06  GOVT. GON  | Set price 104.91 104.76 104.76 104.76 Set price 119.45 119.90 W (677) Peril May 8.55 2.19 004  | Change -0.13 -0.14 (077) FETTI Change -0.05 (0.07) Change -0.05 (0 | High<br>1942 (LITE)<br>High<br>19479<br>128.06<br>MMS (LITE)   | Los 200m 1.00 1.92.55 120.05 Usagetan 10 Nay 0.95 0.21 0.56  | 8st. vol. 0<br>9 s 1000bs of 1<br>Est. vol. 36771<br>259 s 100bs of 100°  | 694<br>6<br>7<br>7<br>7<br>7<br>8<br>7<br>8<br>8<br>8<br>8<br>8<br>8<br>8                  | FTSE ACRES Files indices INK 68ths 1 the to 5 years (10 2 5-15 years (20) 3 the 15 years (20) 4 transcending (4) Indice the 5 years (47) Indice the 6  | aries (                                | Thu Apr 16 129.47 164.23 285.59 280.64 156.51 271.430 272.28 166.68  | Ours Change % -0.01 -0.15 -0.12 -0.12 -0.12 -0.12 -0.12 -0.12 -0.15 -0.12 -0.15 -0.1 | West Apr 15 170.95 154.05 154.05 259.85 155.75 259.85 155.75 225.86 225.14 225.86 1 lose 05-77   | 262<br>267<br>267<br>3.25<br>4.29<br>1.06<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.1   | 103<br>2,00<br>1,00<br>2,00<br>1,00<br>2,20<br>2,00<br>2,00<br>2,00  | S yes 15 yes 20 yes brush; the to S Over S y lege 11% and  | Apr 16 6,00 5,71 5,77 5,82  | 5.96 E70 S.84 - bullenburg 27 S.95 E70 S.84 - bullenburg 27 S.70 S.70 S.70 S.70 S.70 S.70 S.70 S.7   | 77. Hgs<br>7.25<br>7.86<br>7.78<br>7.91<br>1 10. 34<br>3.6<br>1 10m.   | 9 Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>90   | Apr 15 Elm 5.72 S.71   | 7r. mg<br>7.91<br>7.57<br>7.71<br>7.71<br>8 Apr<br>8 Apr<br>9 20<br>0 20   | 9 Apr 16<br>8.09<br>5.62<br>5.62<br>1.694 —<br>15 Yr. 49<br>12 2.66   | 8.05<br>5.24<br>5.84<br>5.84   | 7.38<br>7.54<br>7.54  |
| ALUGE<br>Control   | Cycon  Cycon  119.45 120.06  GOVT. BON  Cata 1500  L STAURS   | Set price 104.91 104.76 104.76 104.76 104.76 104.76 104.76 119.90 119.45 119.90 104.77 Period 104.77   | Change -0.13 -0.14  (0.17) Film  Change -0.02  O.02  O.02  O.05  O | High  MES (LIFE)  High  119.79  120.05  MS (LIFE)  en lat., Cala   | Low 200m<br>Low 195.23<br>120.05<br>Unagetten 10<br>they 0.05<br>0.25<br>0.25<br>90m Pris 1  | Ext. vol.  1000s of 1  Ext. vol. 28071  290  Color of 100  FRES   | 894 8 9 100%.  Open 1d. 123911 8783 8783 88 0.36 0.35 0.85                                 | FTSE ACEUE Picto Indices IN ONE 1 By to 5 years (1) 2 5-15 years (20) 3 Over 15 years (2) 4 tenticementation (1) 5 M annuals (47) Indice Belleni 6 Up to 5 years (1) 6 Up to 5 years (1) 7 Over 5 years (1) 6 M annual years (12) Annual years manuals 6 FT Flored Indices 6 PTSE internations (1) 0 PTSE internations (1)   | aries (                                | The Apr 16 129.47 164.13 164.13 265.50 260.64 156.51 114.00 225.67 222.93 16000 dec 16 | Ours Change % -4.01 -4.15 -4.12 -4.12 -4.12 -4.12 -4.12 -4.12 -4.15 -4.1 | West Apr 15 170.95 154.05 154.05 259.85 155.75 259.85 155.75 225.86 225.14 225.86 1 lose 05-77   | 262<br>267<br>267<br>3.25<br>4.29<br>1.06<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.1   | 103<br>2,00<br>1,00<br>2,00<br>1,00<br>2,20<br>2,00<br>2,00<br>2,00  | S yes 15 yes 20 yes brush; the to S Over S y lege 11% and  | Apr 16 6.00 5.71 5.77 5.82 Apr Apr  Apr  Apr  Apr  Apr  Apr  Apr  | 5.96 E70 S.84 - bullenburg 27 S.95 E70 S.84 - bullenburg 27 S.70 S.70 S.70 S.70 S.70 S.70 S.70 S.7   | 77. Hgs<br>7.25<br>7.86<br>7.78<br>7.91<br>1 10. 34<br>3.6<br>1 10m.   | 9 Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>90   | Apr 15 Elm 5.72 S.71   | 7r. mg<br>7.91<br>7.57<br>7.71<br>7.71<br>8 Apr<br>8 Apr<br>9 20<br>0 20   | D Apr 16 EU9 5.02 5.02 19% — 15 Yr. mg 12 2.61 1.4  | 8.05<br>5.24<br>5.84<br>5.84   | 7.38<br>7.54<br>7.54  |
| ALUGE<br>Control   | Cyen  L (TALIAN  Cyen  119.45  120.06  GOVY. SION   | Sett price 104.91 104.76 104.76 104.76 Sett price 119.45 119.90 (6777) Period (6777) P   | Change -0.13 -0.14 (077) FEITH Change -0.05 (0.07) Change -0.05 (0.07) Change -0.07 (0.05) Change -0.07 (0 | High<br>MARK (LIFFE)<br>High<br>119,79<br>130,06<br>(LIFFE)<br>on let., Galle,   | Law 200m<br>Low 155.55<br>120.05<br>Unagetten 10<br>18ay<br>0.05<br>0.21<br>0.55<br>18ay Pals 1  | Ext. vol. 0 0 1000s of 1 1000s of 1 1000s of 1 1000s of 1000 1000s of 100            | 894 8 9 100%.  Open 1d. 123911 8783 %  324 0.35 0.35 0.35                                  | FTSE ACRES Files indices INK 68ths 1 the to 5 years (10 2 5-15 years (20) 3 the 15 years (20) 4 transcending (4) Indice the 5 years (47) Indice the 6  | aries (                                | The Apr 16 129.47 164.13 164.13 265.50 260.64 156.51 114.00 225.67 222.93 16000 dec 16 | Ours Change % -4.01 -4.15 -4.12 -4.12 -4.12 -4.12 -4.12 -4.12 -4.15 -4.1 | West Apr 15 170.95 154.05 154.05 259.85 155.75 259.85 155.75 225.86 225.14 225.86 1 lose 05-77   | 262<br>267<br>267<br>3.25<br>4.29<br>1.06<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.1   | 103<br>2,00<br>1,00<br>2,00<br>1,00<br>2,20<br>2,00<br>2,00<br>2,00  | S yes 15 yes 20 yes brush; the to S Over S y lege 11% and  | Apr 16 6.00 5.71 5.77 5.82 Apr Apr  Apr  Apr  Apr  Apr  Apr  Apr  | 5.96 E70 S.84 - bullenburg 27 S.95 E70 S.84 - bullenburg 27 S.70 S.70 S.70 S.70 S.70 S.70 S.70 S.7   | 77. Hgs<br>7.25<br>7.86<br>7.78<br>7.91<br>1 10. 34<br>3.6<br>1 10m.   | 9 Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>90   | Apr 15 Elm 5.72 S.71   | 7r. mg<br>7.91<br>7.57<br>7.71<br>7.71<br>8 Apr<br>8 Apr<br>9 20<br>0 20   | D Apr 16 EU9 5.02 5.02 19% — 15 Yr. mg 12 2.61 1.4  | 8.05<br>5.24<br>5.84<br>5.84   | 7.38<br>7.54<br>7.54  |
| Tront I            | Open  L (TALLAN)  Open  119.45 120.06  0007. 000  | Set price 104.91 104.76 20W7. \$000 104.76 20W7. \$000 119.45 119.90 20 (677) Part (677) P   | Change -0.13 -0.14  (017) FEITH -0.05 -0.07  UNESS OFFIRE -0.05 -0.07  UNESS OFFIRE -0.05 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.06 -0.06  | High<br>Mess (LIFFE)<br>High<br>119,79<br>128,05<br>MMS (LIFFE)<br>on inc., Colo.<br>High<br>109,36  | Low 200m 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1  | Ext. vol. 0 1000bs of 1 Ext. vol. 250 1000bs of 1000 PRESS  | 894 8 9 100%.  Open 1d. 123911 8783 8783 88 0.36 0.35 0.85                                 | FTSE ACRES Pitto Indices IN Allow 1 to 15 years (20) 2 S-15 years (20) 3 One 15 years (2) 4 tendermarker (4) 4 tendermarker (4) 6 the to 5 years (2) Annua Banker (12) Annua years mineral E-Mi discret (12) Annua years mineral Cont. Stoc. (40) 6 PTSE communication (4) Control Stoc. (40) 6 PTSE communication (5) (4) (5) (5) (5) (6) (7) (6) (7) (7) (7) (8) (7) (8) (8) (8) (8) (8) (8) (8) (8) (8) (8  | aries (                                | Thu Apr 16 129.47 164.13 164.13 265.59 260.64 156.51 27.420 222.55 166.6 | Ough 16 - Change 1 | Medi Apr 15 270.58 154.80 205.85 259.83 128.73 215.86 225.14 223.98 14 223.98 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16   | 262<br>267<br>267<br>3.25<br>4.29<br>1.06<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.14<br>1.1   | 103<br>2,00<br>1,00<br>2,00<br>1,00<br>2,20<br>2,00<br>2,00<br>2,00  | S pros 15 year 20 year 20 year trued.†  Over 5 y  legic 10th and factor 12th a | Apr 16 6.00 5.71 5.71 5.82 Apr Apr  Apr  Apr  O (MOTATO), 1 0.55 achieved   | Apr 15 5.95 E.70 5.84  | 77. 190<br>7.25<br>7.88<br>7.90<br>7.91<br>15 Yr. 3<br>3.3<br>3.6<br>1 One.  | 9 Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>90   | Apr 15 Elm 5.72 S.71   | 77. mg 7.31 7.57 7.21 6 Apr 6 Apr 13 23 0 24   | 0 Apr 16 E.09 5.12 5.12 10% — 15 Yr. ag 12 2.88 1.4   | Apr 15<br>6.05<br>5.84<br>5.84<br>5.84   | 115.22  |
| Tront I            | Cyces  L STALLAGE  Cyces  119.45  129.06  GOVT. SIGN  Cata 1500  L STALLAGE  Cyces  109.24  L 5 TERM (                          | Sett price 104.91 104.76 104.76 104.76 104.76 119.45 119.90 119.45 119.90 104.77 PRITE 109.00 104.77 PRITE 109.00 104.70 PRITE 109.00 104.70 PRITE 109.20 109.00 10   | Change -0.13 -0.14 (0.07) FB111 -0.06 -0.07 (0.05) G-18 -0.05 (0.07) G-18 -0.04 (0.0 | High<br>Mess (LIFFE)<br>High<br>119,79<br>128,05<br>MMS (LIFFE)<br>on inc., Colo.<br>High<br>109,36  | Low 200m 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1  | Est. vol. 0 0 0 1000m of 1 1000m of 1000 1000 1000 1000 1000 1000 1000 1  | 894 8 9 100%. Open 1d. 125911 4793 1%. Inc. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1          | FTSE ACEUE Petro Indices INK 6880  1 Up to 5 years (CO) 2 0-15 years (CO) 3 Over 15 years (CO) 4 Institute (CO) Indice United C Up to 5 years (CO) Indice Up to 6 PTSE consented (CO) IN FILE CONSENTED IN FILE CONSENTE | aries (                                | The Apr 16 129.47 164.33 164.33 265.59 260.64 156.51 174.30 225.57 222.25 166.65 1 Apr 15 1 105.49 1 105.49 1 105.49 1 105.49 1 105.49 1 105.49  | Ough 15 -0.09 -0.09 -0.15 -0.15 -0.12 -0.12 -0.12 -0.12 -0.12 -0.15 -0.17 -0.1 | 15 15 15 15 15 15 15 15 15 15 15 15 15 1   | interest 2,62 2,67 3,52 A.Th 1,54 1,14 4%; Parkers 1 3 SCA10 Security: 157 Security: 1 | 100 15.00 15   | S pros 15 year 20 year 20 year trued.†  the to S Over S y the 11th and the 12th Annual to the to S The | Apr 16 5.00 5.71 5.72 5.82 Apr  | Agr 15 5.96 1.70 5.94 - Installant 9 16 Apr 15 | 77. HIP 7.25 7.88 7.38 7.31 1.5 1.3 3.6 1.4 1.5 1.7 1.8 1.7 1.8 1.4 1.5 1.5 1.5 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6  | Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>35<br>53<br>97 15 Apr 16<br>162.36 163<br>had heaved   | Apr 15  E.M. 5.73  S.71  Apr 17  2.07  2.09  ar 14  Apr 19  ar 14  ar 14  Apr 19  ar 14  ar | 7r. mg<br>7.31<br>7.57<br>7.21<br>15 Apr<br>15 Apr<br>19 Apr<br>115 142  | 0 Apr 16 E.09 5.12 5.12 10% — 15 Yr. ag 12 2.88 1.4   | 8.05<br>5.24<br>5.84<br>5.84   | 115.22  |
| Tront I            | Open  L (TALLAN)  Open  119.45 120.06  0007. 000  | Set price 104.91 104.76 20W7. \$000 104.76 20W7. \$000 119.45 119.90 20 (677) Part (677) P   | Change -0.13 -0.14  (017) FEITH -0.05 -0.07  UNESS OFFIRE -0.05 -0.07  UNESS OFFIRE -0.05 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.06 -0.06 -0.06  | High<br>Mess (LIFFE)<br>High<br>119,79<br>128,05<br>MMS (LIFFE)<br>on inc., Colo.<br>High<br>109,36  | Low 200m 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1  | Ext. vol. 0 1000bs of 1 Ext. vol. 250 1000bs of 1000 PRESS  | 894 8 9 100%.  Open 1d. 123911 8783 8783 88 0.36 0.35 0.85                                 | FTSE ACEUE Acts indices int only 1 By to 5 years (2) 2 5-15 years (2) 3 Over 15 years (4) 4 introcernation (4) 5 M mades (47) Indice Balant 6 Up to 5 years (1) 6 Up to 5 years (1) 7 Over 5 years (1) 6 M mades (12) Access years managed FT Flored Indiger FT Flored Indiger Control Sect. (40) 0 PTSE characters (1 outpoints (42.56 (55) UK FILES  | aries (                                | The Apr 16 129.47 164.13 164.13 265.59 280.56 156.51 174.00 225.57 222.28 16000 16000 175.50 16000 175.50 16000 175.50 175.60 17 | Our's Stange % - 4.60 - | Mari Apr 15 120,56 154,56 154,56 129,57 129,57 129,57 129,57 129,58 129,57 129,58 129, | interest  2.02 2.07 2.02 2.07 3.02 A.29 1.08  ILSA 1.14 IN report  Securities high bootster Notester Notes  | 100<br>2,00<br>1,00<br>2,10<br>2,10<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>10,17 11<br>10,17 11<br>10, | S pis 15 yes 20 yes 20 yes loud.†  We to S Over S y light 11th and later 22.57 25 Malace 127.4  Mala | Apr 16 5.00 5.71 5.72 5.82 Apr  | Agr 15 5.96 1.70 5.94 - Installant 9 16 Apr 15 | 77. HIP 7.25 7.88 7.38 7.31 1.5 1.3 3.6 1.4 1.5 1.7 1.8 1.7 1.8 1.4 1.5 1.5 1.5 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6  | Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>35<br>53<br>97 15 Apr 16<br>162.36 163<br>had heaved   | Apr 15  E.M. 5.73  S.71  Apr 17  2.07  2.09  ar 14  Apr 19  ar 14  ar 14  Apr 19  ar 14  ar | 75. mg 7.31 7.57 7.27 7.27 7.27 8 Apr 8 Apr 9 20 1 21 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  | D APR 16 8.09 5.62 1.09 1.09 1.09 1.09 1.09 1.09 1.09 1.09  | Document   Apr 15   6.05   6.04   6.0 | 7.54<br>7.54<br>7.54<br>7.54<br>7.54  |
| THOUSE STREET      | Cycon  L STALLAN  Cycon 119.45 129.06  GOVT. SCON  Cash 1509  L STALLAN  Open 169.24  Open 169.24  Open 169.24                  | Set price 104.91 104.76 104.76 104.76 104.76 119.45 119.90 119.45 119.90 044 179.90 104.20 Proc 109.20 109.00 CGLT FETTING SET price 109.20 109.00 SET price 109.20 109.00 SET price 109.20 109.00 109.44 109   | Change -0.13 -0.14  (g077) 79711  Change -0.05 -0.07  USES GFTR -0.05 -0.18 -0.18 -0.18 -0.18 -0.18 -0.18 -0.18 -0.18 -0.18 -0.04 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05 -0.05  | High<br>High<br>119,79<br>128,05<br>306 (LFR2)<br>109,35<br>000,600 100<br>109,5   | Low 200m 1.0m 1.0m 1.95.55 120.05 120.05 100.25 100.25 100.75 100.10 100.10 100.67   | 201, vol 0 1000hs of 1000h            | 894 8 9 100%. Open 1d. 125911 4793 46. Open 1d. 21793 4793 4793 4793 4793 4793 4793 4793 4 | FTSE ACEDS Price Indices MK differ  1 to to 5 years (2) 2 5-15 years (2) 3 to 15 years (2) 4 to 15 years (4) 4 to 15 years (4) 5 Mill disclose (4) Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  | arries (                               | The Apr 16 129.47 164.23 164.23 285.59 280.64 156.51 222.65 1628 165.49  | Our's Stange % - 4.60 - | Mari Apr 15 120,56 154,56 154,56 129,57 129,57 129,57 129,57 129,58 129,57 129,58 129, | interest  2.02 2.07 2.02 2.07 3.02 A.29 1.08  ILSA 1.14 IN report  Securities high bootster Notester Notes  | 100<br>2,00<br>1,00<br>2,10<br>2,10<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>10,17 11<br>10,17 11<br>10, | S pis 15 yes 20 yes 20 yes loud.†  We to S Over S y light 11th and later 22.57 25 Malace 127.4  Mala | Apr 16 5.00 5.71 5.77 5.02 Apr  pts E 2  more † Phicylin  and Industrial  and Phicylin  d Phicylin  2.113_5 7 1955 7 1955 | Apr 15 5.96 1.70 5.84 - Institution of 16 16 Apr 15 18 2.75 29 279 10 14 10 14 10 15 115/1 1  | 7.25<br>7.26<br>7.26<br>7.26<br>7.20<br>1 2.3<br>1 3.6<br>1 2.3<br>1 1 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 | Apr 16<br>E.08<br>5.74<br>5.73<br>90<br>35<br>53<br>97 15 Apr 16<br>162.36 163<br>had heaved   | Apr 15  E.M. 5.73  S.71  Apr 17  2.07  2.09  ar 14  Apr 19  ar 14  ar 14  Apr 19  ar 14  ar | 7. mg 22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2   | 2 Apr 16 E.09 5-82 1996 - 15 Yr. 60 14 15 17 16 19 19 19 19 19 19 19 19 19 19 19 19 19  | Document   Apr 15   6.05   6.04   6.0 | 7.54<br>7.54<br>7.54<br>7.54<br>7.54  |
| THOUSE STREET      | Cypen  E. STALLAND  Dyom  119.45  120.06  BONT. BON  Calls 1509  L. STALLAND  Open 189.24  Open 189.24  L. S YEARS  Open 180.16 | Set price 104.91 104.76 20W7. \$0000 50W7. \$00000 50W7. \$00000 50W7. \$000000 50W7. \$0000 50W7. \$0000 50W7. \$00000 50W7. \$00000 50W7. \$00000 | Change -0.13 -0.14 -0.14 -0.16 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.08   | High<br>High<br>119,79<br>128,05<br>304 (LFRE)<br>109,36<br>109,36<br>109,36<br>109,20<br>109,20   | Low 200m  1.0m  1.0m | 201. vol 0 0 0 100000 of 1 100000 of 1 250 71 250 10000 of 1 1000 1000 1000 1000 1000 10  | 004 0 0 0005   | FTSE ACEDS Price Indices MK differ  1 to to 5 years (2) 2 5-15 years (2) 3 to 15 years (2) 4 to 15 years (4) 4 to 15 years (4) 5 Mill disclose (4) Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  | arries (                               | The Apr 16 129.47 164.23 164.23 285.59 280.64 156.51 222.65 1628 165.49  | Our's Stange % - 4.60 - | Mari Apr 15 120,56 154,56 154,56 129,57 129,57 129,57 129,57 129,58 129,57 129,58 129, | interest  2.02 2.07 2.02 2.07 3.02 A.29 1.08  ILSA 1.14 IN report  Securities high bootster Notester Notes  | 100<br>2,00<br>1,00<br>2,10<br>2,10<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>10,17 11<br>10,17 11<br>10, | S pis 15 yes 20 yes 20 yes loud.†  We to S Over S y light 11th and later 22.57 25 Malace 127.4  Mala | Apr 16 5.00 5.71 5.77 5.02 Apr  pts E 2  more † Phicylin  and Industrial  and Phicylin  d Phicylin  2.113_5 7 1955 7 1955 | Apr 15 5.96 1.70 5.84 - Institution of 16 16 Apr 15 18 2.75 29 279 10 14 10 14 10 15 115/1 1  | 7.25<br>7.26<br>7.26<br>7.26<br>7.20<br>1 2.3<br>1 3.6<br>1 2.3<br>1 1 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 | ## 16  | Apr 15  E.M. 5.72  5.72  Apr 17  2.02  2.09  Tale Apr 10  | 7. ag 7.31<br>7.57<br>7.71<br>7.71<br>8. Apr 9<br>10<br>20<br>21<br>178<br>226<br>227<br>277<br>279  | APT 16  E.09  5.12  5.12  1995  1995  15 Yr. ag  15 Yr ag  15 116.9  22 2.41 191; 1312 1967  2.90 72655; 2.90 72655; 2.90 72655; 2.90 72655;  | ### 14236  | 7.54 7.54 7.54 7.54 7.54 7.54 115.32  |
| THOUSE STREET      | Cycon  L STALLAN  Cycon 119.45 129.06  GOVT. SCON  Cash 1509  L STALLAN  Open 169.24  Open 169.24  Open 169.24                  | Set price 104.91 104.76 SEE price 119.45 119.90 SEE price 119.90 SEE price 109.10 SEE price   | Change -0.13 -0.14  (017) FEM -0.05 -0.05 -0.05 -0.07  URES OFFIR -0.05 -0.05 -0.07  Change -0.05 -0.07  Change -0.05 -0 | High<br>High<br>119,79<br>128,05<br>306 (LFR2)<br>109,35<br>000,600 100<br>109,5   | Low 200m 1.0m 1.0m 1.95.55 120.05 120.05 100.25 100.25 100.75 100.10 100.10 100.67   | 200 er 1000 er 1100 er            | 004 0 0 0005 0 0 0 0 0 0 0 0 0 0 0 0 0 0   | FTSE ACEDS Price Indices MK differ  1 to to 5 years (2) 2 5-15 years (2) 3 to 15 years (2) 4 to 15 years (4) 4 to 15 years (4) 5 Mill disclose (4) Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  6 to to 5 years (4) Indice Marian  Indice Marian  | arries (                               | The Apr 16 129.47 164.23 164.23 1295.59 1205.64 156.57 174.10 1255.67 222.95 166.88 167.15 165.49 166.38 16 | Our's Stange % - 4.60 - | Mari Apr 15 120,56 154,56 154,56 129,57 129,57 129,57 129,57 129,58 129,57 129,58 129, | interest  2.02 2.07 2.02 2.07 3.02 A.29 1.08  ILSA 1.14 IN report  Securities high bootster Notester Notes  | 100<br>2,00<br>1,00<br>2,10<br>2,10<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>2,17<br>10,17 11<br>10,17 11<br>10, | 5 pis 15 yes 20 yes 20 yes 10 over 5 y  | Apr 16 5.00 5.71 5.77 5.02 Apr  pts E 2  more † Phicylin  and Industrial  and Phicylin  d Phicylin  2.113_5 7 1955 7 1955 | Apr 15 5.96 1.70 5.84 - Institution of 16 16 Apr 15 18 2.75 29 279 10 14 10 14 10 15 115/1 1  | 7.25<br>7.26<br>7.26<br>7.26<br>7.20<br>1 2.3<br>1 3.6<br>1 2.3<br>1 1 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 | ## 16   E.08   S.74   S.72   S | Apr 15  EM 5.72  S.71  Apr 1  2.02  Apr 1  2.03  Apr 1  2.05  Apr 1  Apr 1  2.05  Apr 1  Apr 1  2.05  Apr 1   | 7. 100 7.31 7.57 7.71 7.71 15 Apr 15  | Apr 16  E.09  5.02  5.02  1094  15 Yr. ag  15 Yr. ag  15 118.9  2 241 191, 117 1957  1.17 1957  | ### 142.36   | 7.38 7.38 7.54 7.54 115.22 115.22 52 max. 53 115.25 53 1179 53 1179 54 1774 57 1774 57 1774 57 1774 |
| THOUSE STREET      | Cypen  E. STALLAND  Open  119.45  129.06  BONT. BONT.  Cath 1500  L. STALLES  Open  103.16  L. STERR  Open  103.16              | Set price 104.91 104.76 20W7. \$000 Set price 119.45 119.90 109.00 200 200 200 200 200 200 200 200 200   | Change -0.13 -0.14 -0.14 -0.16 -0.06 -0.07 -0.06 -0.07 -0.06 -0.07 -0.08   | High 119,79 128,05 (LFFE) 119,79 128,05 (LFFE) 119,05 (LFFE) 119,36 (19,20) 109,26 (LFFE) 119,26 (19,20) 139,26 (LFFE) 119,26 (LFFE) 129,26 (L | Low 200m 1.0m 1.0m 1.0m 1.0m 1.0m 1.0m 1.0m 1  | 200.00 of 1<br>0 0 2000 of 1<br>25.1 vid<br>25771 250<br>2500 000 of 1000 | 004 0 0 0005 0005 0005 0005 0005 0005 0  | FTSE ACEUE Acts indices int only 1 By to 5 years (2) 2 5-15 years (2) 3 Over 15 years (4) 4 introcernation (4) 5 M mades (47) Indice Balant 6 Up to 5 years (1) 6 Up to 5 years (1) 7 Over 5 years (1) 6 M mades (12) Access years managed FT Flored Indiger FT Flored Indiger Control Sect. (40) 0 PTSE characters (1 outpoints (42.56 (55) UK FILES  | arries (                               | The Apr 16 129.47 164.23 164.23 1295.59 1205.64 156.57 174.10 1255.67 222.95 166.88 167.15 165.49 166.38 16 | Our's Stange % - 4.60 - | ## 15 27.56 15.40 25.65 25.65 25.65 25.14 22.18 25.14 25.18  | interest  2.02 2.07 2.02 2.07 3.02 A.29 1.08  ILSA 1.14 Inches:  It up  Securities highered by  Securities highered by  Securities highered by  Inches highered by  In | 1.00<br>2.60<br>1.00<br>1.00<br>2.21<br>2.21<br>2.21<br>2.23<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.27<br>2.43<br>2.43<br>2.43<br>2.43<br>2.43<br>2.43<br>2.43<br>2.43   | S pis 15 yes 20 yes 20 yes loud.†  We to S Over S y light 11th and later 22.57 25 Malace 127.4  Mala | Apr 16 5.00 5.71 5.77 5.02 Apr  pts E 2  more † Phicylin  and Industrial  and Phicylin  d Phicylin  2.113_5 7 1955 7 1955 | Agr 15 5.96 1.70 5.94 - Installant 9 16 Apr 15 | 7.25<br>7.26<br>7.26<br>7.26<br>7.20<br>1 2.3<br>1 3.6<br>1 2.3<br>1 1 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 2 2 1 1 2 | ## 16  | Apr 15  EM 5.71  | 7. mg  | APR 16  8.09  5.82  1.95  1.95  1.5 Yr. 40  1.5 Yr. 40  1.15 118.3  2.24 191, 117 197  1.17 197  1.17 197  2.10 2.26 2.27  2.17 195  2.20 2.26 2.27  2.17 195  2.20 2.26 2.27  2.17 195  2.20 2.26 2.27  2.27 125  2.27 | ### 142.36   | 7.54 7.54 7.54 7.54 7.54 7.54 115.32  |

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BINAL BUNDS

# Yen weakens after G7's statement

MARKETS REPORT By Richard Adams

members of the Group of delayed meeting today. Seven leading industrial

economies. stimulate its economy and bank meeting. boost the yen.

reach Y132, but was capped rates. by fears that the Bank of Japan would again intervene to halt the dollar's rally as it did last week

The dollar ended trading hours in London at Y131.8, a gain of Y2.5 compared with

Argantina (Paso) 1,8922 Brazil (RS) 1,5004 Carestin (CR) 2,4324 Menico (Film Paul) 1,5007 USA (S) 1,5007 Pactito/https://doi.org/10.1007/

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its closing level in London on Wednesday before the G7 by one plennig in Europe to Apabet he yes (4 per 5) meeting.

The yen sank against the ger against the D.Mark, after three plennigs by the end of dollar yesterday, after the being hit on Wednesday London trading. foreign exchange markets from rumours that the Bund- Dealers said that comperceived little support for esbank was preparing to ments in Washington by Japan coming from other raise its repo rate at its Gordon Brown, the chancel-

Robert Rubin, the US Tree- tral bank not to raise rates sury secretary, yesterday punctured the higher Eurodeclined to comment on the pean rates story, along with yen's weakness following the the news that Hans Tiet-G7 statement, which fell meyer, the Bank's president, short of supporting more would stay in Washington than Japan's solo efforts to and miss the German central

Bundesbank watchers said The dollar rapidly gained Mr Tletmeyer's absence over Y2 at the start of trad- made it much less likely that ing hours in New York to the hank would move on

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The stronger dollar - up Dollar DM1.808 - helped sterling, The dollar was also stron- which gained a additional

lor, helped the pound shrug But decisions by the Bank off a survey by the British of France and the Dutch cen- Chambers of Commerce showing export orders were at a seven-year low,

One London analyst said part of the rise was explained by technical factors, with a number of institutions having to unwind aggressive short positions against sterling, taken in the expectation of its continued

The pound ended in London at DM3.059, having pre-viously ended trading at since the group met in Lon-DM3.028. It gained 0.7 don in Pebrusry. The threat against the dollar to \$1.692. of intervention or talking up Against the yen the pound the yen failed to appear as was also stronger, rising Y5 some had predicted.

Three marties - One year - Dank of Page - SUFA - Date - SUFA - Day - Indian

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The summit's statement The D-Mark advanced put the onns on Japan, stat-

strengthen the yen.

announcement of the latest increase interest rates. economic stimulus package, Strong growth and the being the most likely.

against the yen in Surope by almost Yl, to Y72.9L

■ The G7 summit gave little OTHER CURRENCES

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ing that the measures taken which created a substantial by Japan to help its domes- amount of pent-up dollar tic economy would also demand in Tokyo," he said.

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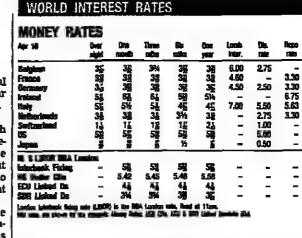
Traders contented them- The decision by the Dutch selves with trying to pick central bank to leave its spethe next likely dates for cial advances rate intervention by the Bank of unchanged at 3.30 per cent Japan, with this weekend or effectively put an end to April 24, the date of the hopes that Germany might

eing the most likely. threat of a take-off in infla-Ken Landon, Deutsche tion in the Netherlands was Morgan Grenfell's currency seen as most likely to proanalyst in Tokyo, reported voke the start of higher that Japanese investors were interest rates within the aggressive dollar buyers yes- European Union's single curterday. Many investors here rency zone. were sidelined over the past

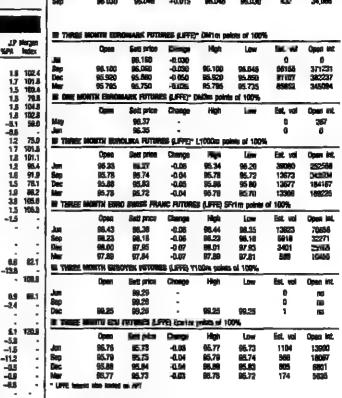
Jacques Chirac, the French president, yesterday few days because of the risk French president, yesterday
supported France's candidate for president of the
European Central Bank,
Jean-Claude Trichet. But
more importantly, Mr Chirac
also said: "I hope there will
be a decision, not before, but of further intervention, in time for May 2. It's not obligatory but it would be

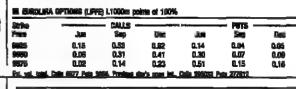
psychologically preferable."

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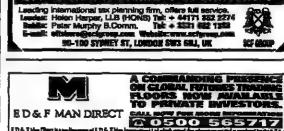








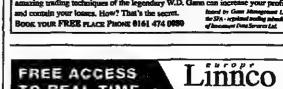








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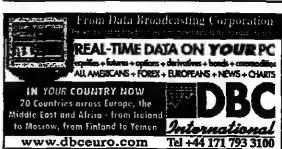


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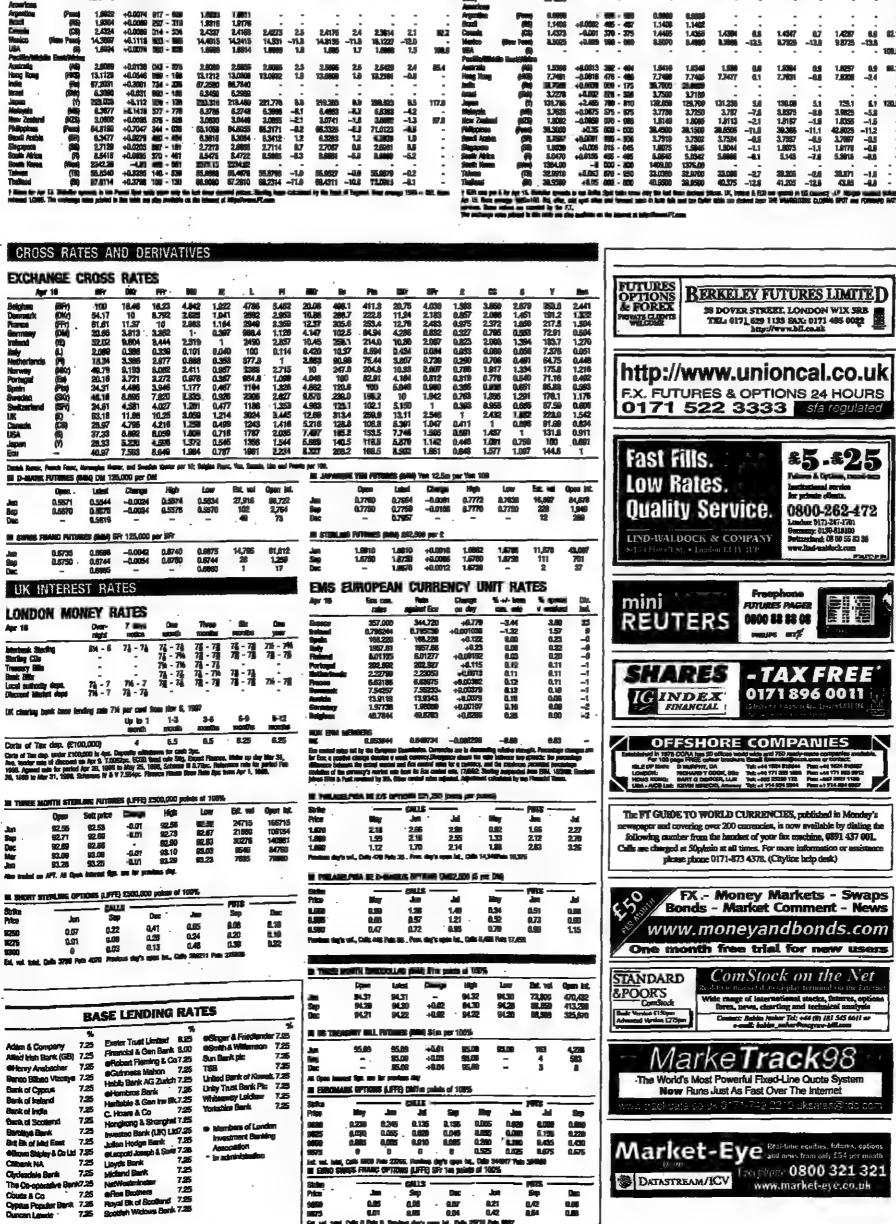


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# Aluminium groups differ over production levels

ily Kesmeth Enoding, Mining Correspondent

aluminium producers yesterity shut down in 1994 followwest from Russia.

Reynolds Metals of the US, said it would restart its they would be at full capac-

Alcan, the Canadian group ranked second, said it was day were at odds about surprised by Reynolds' deciwhether the time was right sion, particularly by the US to restart production capac- group's move to restart trend in stocks is good, not 41,000 tonnes of capacity at excellent. The short and ing a flood of exports to the the Massena smelter in New York.

Jacques Bougie, Alcan the third biggest producer, chief executive, insisted his company would reactivate remaining 130,000 tonnes of its 130,000 tonnes of idled capacity at smelters in New capacity only when London York and Oregon during the Metal Exchange stocks were Reynolds

able demand for the metal and when LME prices reflected the industry's supply-demand fundamentals.

"Today the downward medium-term demand outlook is good, not excellent, but the price does not reflect the industry's fundamentals," he insisted during a media telephone conference. However, Jerry Sheenan,

chairman.

first-quarter results: "The outlook is for continued strong demand in the aluminium market. We expect consumption growth of 2.5 per cent to 4 per cent for the next several years."

This was in line with Alcan's own forecasts before the Asian financial crisis. Roger Scott-Taggart, Alcan's director of industry analysis, said his group had been expecting average annual demand growth of 3.5

unanswered questions about minium shipments increased restarted (including that Asia's future recovery, by about 6 per cent last year, owned by Reynolds) and a particularly about Japan's economy, to say if this long-term forecast should be changed.

Nevertheless, Alcan had reduced its forecast for 1998 aluminium demand growth to 1 per cent because of Asia. Strong demand in Europe and North and South America was more than compensating for the downturn in

well shead of production, so stocks were reduced by 384,000 tonnes. Another 100,000 tonnes had been drawn from stocks so far

average LME aluminium price - US\$1.457 a tonne last 2000. night - had fallen by 9 per

Mr Bougie said the indus-

third quarter of 1996 so that falling substantially, when suggested in a statement per cent. However, at this Mr Scott-Taggart pointed try had 700,000 tonnes of there was strong, sustain- accompanying the group's stage there were too many out that western world alufurther 700,000 tonnes of new capacity planned for 1998-99. Alcan believed its US\$1.6bn Alma smelter, which will add 300,000

tonnes, or 20 per cent, to its net capacity, would be surplus," he insisted. Yet the needed by the time it came into production late in Alma would need a price

of only US\$1,400 a tonne to

# Copper -'caught in squeeze'

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MARKETS REPORT By Kenneth Gooding and Paul Solman

Investment funds that took the view copper prices would continue to fall and sold short - sold metal they did not own in the expectation of buying at a lower price were caught in a "squeeze" on the London Metal Exchange, traders suggested

yesterday. Unexpected problems in moving physical copper made the market tight. This is evidenced in the premiims demanded for immediate delivery on the LMR yesterday it was \$3 a tonne compared with metal for delivery in three months. Larry Kaplan at Flemines Global Mining Group said rumours suggested the

soueezers" wanted to push the three-month cooper price to \$1,900 a tonne, at which level the funds would scramble for cover. "If they do, a further spike appears likely. But beware. The mediumterm fundamentals in our view do not support a sustained rally in copper."

On the bullion market, palladium closed in London at \$307 a troy ounce, down \$4.50 in spite of further confusing reports from Russia, which has failed to export

any this year. Valery Goncharov at the Russian precious metals reserve, Gokhran, said it could be "several more weeks or months" before platinum and palladium exports started.

World oil prices rose as the market considered the prospect of renewed tensions between Iraq and the United

# Australia's Wheat Board gets in shape

The Australian Wheat Board is in upheaval as the country's monopoly grains exporter closes offices and cuts staff in its most dramatic reorganisation since deregulation of the industry ing rights to control the began more than 10 years board.

But once the dust has settled, the AWB, according to managing director Murray Rogers, will be "leaner and meaner" and better equipped to adapt to fluctuations in

the global marketplace. Although not a big wheat producer compared with the US and Canada, Australia as an exporter ranks about fourth in the world in a good

The wheat board's they are marketed. restructuring, which The AWB's new structure involves cutting about 120 represents the final stage of jobs from a workforce of 400, a modernisation process is designed to deliver begun in the 1980s, when the savings of about A\$11.5m domestic market was heavily (US\$7.5m) a year - about 20 regulated and grain exports per cent - to the AWB's future new owners, the fair and average quality whent growers themselves.

sed, the AWB will cease to

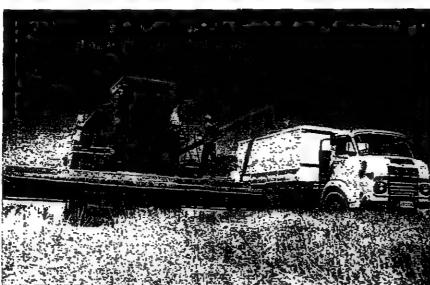
next year and convert to a commercial enterprise. The country's 40,000 grain

growers will become holders of A class shares, giving them both equity in the new look AWB and enough vot-

B class shares, to be held by the wider wheat industry community, will carry lewer rights and be tradeable once the AWB floats on the Australian stock market, probably in 2000.

According to Jock Kreitals, deputy director of the Grains Council of Australia. the moves mean Australian wheat farmers will always have first say in where their crops are headed and how

were of the same grade while the US and Canada Under ground-breaking offered a range of classes targeted at specific markets.



where our wheat went, what it was used for and how it rated with our competition...nor did we have any idea of what wheat we should be growing," said Trevor Flugge, AWB chairman. "There is now an Australian brand of wheat for virtually every wheat flour

That diversification, coupled with a focused marketing campaign, has helped Australia secure important trading partners such as Japan. Which buys most of the high-grade Durum wheat - used in noodles - from the

In the domestic market. which accounts for about 5m "We had very little idea of tonnes of the 15m-20m

tonnes produced annually. the AWB will continue to be just another player in a fully deregulated marketplace where growers can sell to co-operatives, wholesalers, trading companies or direct to mills.

As an exporter, the board will remain the only conduit for foreign sales, but more money will be spent on marketing and branding and less on administration.

The AWB's five state offices will be closed and replaced with trimmer regional offices in Perth, Melbourne and Sydney. Five new regional acquisition offices will be established in the main wheat-growing

A key feature of the staff reorganisation is a nationally co-ordinated buying and the short of it is that we are putting in place a company that will be more competitive." said Mr Kreitals.

With soft commodity prices, the Asian slowdown and the effects of El Niño weighing on farmers' minds, extracting a premium from importers is crucial to sur-

"We've always managed to get premiums out of the market because of the single desk [export monopoly] structure," he said. "If there are lots of sellers, the price will eventually settle near the lowest of the bunch."

### Pulp industry bullish on prices leading producer of market

Wood pulp prices have prices to \$600 a tonne by bottomed and are likely to June. Other leading Euroincrease from \$550 a tonne to \$600 a tonne following a sharper than expected fall in inventories in March, according to producers and industry analysis.

Prices of pulp, the key ingredient of paper, fell sharply at the end of last year and have remained under pressure because of a rise in excess stocks and concern over the effect of the Asian financial crisis on

the industry.

Market rates for Northern Bleached Softwood Kraft, the industry benchmark, tumbled from \$610 a tonne in December to below \$500 early this year, but have moved up to about \$550 after the announcement this week of a reduction in North American and Scandinavian pulp stocks.

Analysts praised producers for curbing output from January to force inventories down, while a feared influx of cheep short-fibre pulp to Europe from crisis-hit Asian producers had been lower than expected.

The fall in Norscan stocks from 1.81m tonnes to just above 1.5m tonnes prompted Sweden's Södra - Europe's

+1.00

pean producers have been more bullish, forecasting an increase to \$600 in May.

pulp - to predict a rise in

Analysts, however, see pulp prices rising to \$600 by the end of the year, a view reflected on Pulpes, the London-based pulp futures market, where the September contract is trading at \$580 a tonne.

"\$600 by December is a more reasonable assumption," said Christian Georges, paper and metals analysi at Credit Lyonnais Securities Europe.

Hakan Ostling of Goldman Sachs predicted an increase to \$560-\$570 in the second quarter and a further rise towards \$600 by the end of the year. He warned that considerable scope existed for setbacks, particularly if manufacturers attempted to take advantage of improved

prices by raising output. Indications are that companies are prepared to curtail production. Georgia-Pacific, the US group, said yesterday that demand remained below its full operating capacity level and measures to avoid inventory build-up would remain in

Nations. On London's International Petroleum Exchange, the bellwether June contract for Brent crude was \$14.65 a barrel in late trading against Wednesday's close of \$13.48. JOTTER PAD

#### COMMODITIES PRICES BASE ME LONDON ME Prices from Ame

| Close<br>Previous   | 1419 5-20.5<br>1437 5-38 5 | 1448,5-49<br>1485-86                |
|---|----------------------------|-------------------------------------|
| High/low<br>AM Official<br>Kerts close                    | 1425-25                    | 1462/1447<br>1454.5-55.0<br>1467-58 |
| Open int.<br>Total daily birmover                         | 259.634<br>79.672          | 1-07-100                            |
| III ALIMPINIA ALL   | IT (S per licency          |                                     |
| Cicee<br>Previous<br>High/low                             | 1285-90<br>1285-90         | 1317-19<br>1320/1315                |
| AM Official<br>Room ridom                                 | 1287-89                    | 1317-18<br>1315-20                  |
| Open int. Total daily temper                              | 5,936<br>2,706             |                                     |
| LEAD & per tons   |                            | -                                   |
| Ciono<br>Previous<br>High-Tow                             | 567-6<br>578-79            | 576-7<br>565.5-88.0<br>581/575      |
| ANN Others<br>Nath cites                                  | 570-71                     | 575-77<br>575-6                     |
| Open mt.<br>Total daily templer<br>III IMCKES, iS per ton | 35,411<br>12,321           |                                     |
|   |                            | 400.00                              |
| Close<br>Prevous<br>High-how                              | 5410-20<br>5480-00         | 5600-18<br>5575-80<br>5570/5440     |
| AMA Otheral<br>Restriction<br>Open unt.                   | 5435-40<br>50,258          | \$530-35<br>5440-45                 |
| Total daily hanger<br>IN 174 of per totals                | 17,410                     |                                     |
| Ottose  | 5819 29                    | 5565-75                             |
| Previous<br>High-Your                                     | 5636-45                    | 5595-600<br>5590,5570               |
| Am Citicul<br>Arab closs                                  | 5620-30                    | 5585-90<br>3375-85                  |
| विकास कर्त.<br>विकास क्रिक्टी क्षेत्रकारण                 | 10 383<br>4.391            |                                     |
| N. Marie Sandal May                                       | ے سے 5 منسو                | -                                   |
| Close<br>Provous<br>High low                              | 1094-95<br>1111.5-12.5     | 18\$6-57<br>1125-36<br>1121/1115    |
| AN Official<br>Kerb close                                 | 1093-94                    | 1117-12<br>1(165-17.5               |
| Open mt<br>Total daily surrough                           | 78,468<br>32,113           |                                     |
|   |                            |                                     |
| Cinse<br>Previous<br>High ton                             | 1849 5-51 5<br>1876-78     | 1856-57<br>1871-72<br>1882/1836     |
| AAA Ottosaf<br>Aceto close                                | 1867-68                    | 1364-65<br>1341-42                  |
| Open jet.<br>Total daily turnover                         | 162.019<br>111 <b>4</b> 67 |                                     |
| W LINE AM OTHER   |                            |                                     |
| Spell (GDD) 7 males 1.G                                   | (196 miler 1 (1762 9       | 169                                 |
|   |                            |                                     |

|           | GRADE    |               | · PER | bra .         |       |        |     |
|-----------|----------|---------------|-------|---------------|-------|--------|-----|
|           |          |               | 100ma | NJ            |       |        | - 1 |
|           | Set      | Day's         |       |               |       | Open   |     |
|           | buce     | cjassiji      | High  | Lew           | -     | 100    |     |
| Apr       | 63.30    | -2.20         | 64.80 | <b>82</b> .90 | 142   | 916    | - 1 |
| May       | 83.35    | ~2.30         | 85 75 | 82.80         | 11613 | 22,987 |     |
| . Rest    |          | -195          |       |               |       | 2,508  | - 1 |
| Jel       | 83.70    | ~1.80         | 85.50 | 83 10         | 6.631 | 15,614 | 1   |
| Ang       | 83.70    | -1.50         |       |               | 50    | 1,590  |     |
| Sup       | 63.70    | ~1 10         | 84 80 | 83.40         | 352   | 5.363  | -   |
| Total     |          |               |       | - 2           |       | 69,215 | - 2 |
|           |          |               |       | _             |       |        | - 1 |
| PRE       | CHOU     | SM            | EIA   | 5             |       |        | •   |
|           | DON HER  |               |       |               |       |        | 1   |
|           | Denied.  |               |       | <b>M</b> 40   |       |        |     |
| ruca      | A Second |               | -     |               |       |        | -   |
| Gold(Ta   | NY 027   | \$ pr         |       | E eque        | 374   |        |     |
|           |          | 307.50-3      |       |               |       |        |     |
| المبعفان  |          | 306 40 :      |       |               |       |        |     |
| Morning   |          | 306           |       | 151.55        |       | 0.56   | -   |
| die o     |          | 3 <b>9</b> 6. |       | 181 19        | 46    | 374    | - 1 |
| Day's H   |          | 307 40        |       |               |       |        | - 4 |
| Day's fi  |          | 305.00        |       |               |       |        | 1   |
| Provious. | cione    | 307 30-3      | 1770  |               |       |        | 1   |

| Jun 82.80 Jul 83.70 Aug 83.70 Sup 83.70 Total  | -195 8520 83:<br>-180 8550 83:<br>-150 84:00 84:<br>-110 84:80 83:4   | 30 80 2,508<br>10 6,631 15,614<br>00 50 1,590  |   |
|--|---|--|---|
|  | Y E M POSTER  |  |   |
| Opening Ro. Morning Ro. Mornin | 397 50-308:00<br>306:40-308:70<br>306:30 181<br>306:30 181<br>302:40-397 70<br>305:00-306:10<br>307:20-307/20<br>leidy Lecoding Parten<br>4 17 12 recents | 392  | 1 |
| Sher Fix<br>Spot<br>I must a modite<br>1 year<br>Gold Coins<br>Kruperrand<br>Maple Leaf<br>Hew Sovereign   | pitey oz.<br>360.40<br>361.55<br>361.55<br>364.00<br>\$ pnca<br>307.310<br>72.76  | US cits equiv.<br>606.95<br>806.20<br>905.40<br>903.85<br>£ toute<br>181-183<br>-<br>42-45 | 1 |
|  |   |  |   |

| DITIES PRICES   |                   |                     |                        |                |                  |                  |                  |
|---|-------------------|---------------------|------------------------|----------------|------------------|------------------|------------------|
| TALS  | Pre               | cious               | Me                     | tals           | COI              | ıllını           | ied              |
| ETAL EXCHANGE   |                   | TO COME             |                        |                |                  |                  |                  |
| igameted Metal Tradings                                       |                   | Setz                | Day's<br>change        | n Historia     | -                | Wel              | Open<br>let      |
| Cont I now  | Ąpr               | 30£0                | +0.9                   | 308.5          | 305.8            | 42               | 41               |
| Cook 3 mass<br>1419 5-20.5 1448.5-48                          | -June<br>Acces    | 309.8<br>312.0      |                        | 310.5<br>112.7 |                  | 23,014           | 100.5            |
| 1437 5-38 5 1485-86   | Qct<br>Mes        | 314.0<br>316.0      | +0.5                   |                | MILI             | 114              | 4,81             |
| 1462/1447<br>1425-25 1454.5-39.0                              | Pela              | 317 6               |                        | 317.0          |                  | 394              | 6,61             |
| 1467-58<br>259.834  |                   | LTIMUM N            | WAREN IN               | in Tees        | ns - 8/m         |                  | 183,00           |
| 79.672  | Apr               | 4157                |                        | _              |                  | 41               | 20               |
| LLOY (S per toleno)   | - Ind             | 406.7               | -92                    | 415.0          | 405.2            | 1,761            | 13,12            |
| 1285-90 1215-26<br>1285-90 1317-19                            | Qet.              | 401.7<br>397.7      | -92<br>-92             |                | 400.0            | - 2              | 4                |
| 1320/1315<br>1367-89 1317-18                                  | Total             | Lione               | MAJEX (                | 100 Troy       | 02: \$7          |                  | 13,91            |
| 1315-20<br>5,936<br>r 2,708                                   | =                 |                     |                        |                | 270,00<br>260.00 |                  |                  |
| 1 2,700<br>(Mg)   | Dec               | 256 <b>6</b> 5      | -2.45                  | -              |                  | - 1              | -                |
| 567-8 576-7   |                   | VER COME            | X (5.000)              | in c:          | Castaviro        | 967<br>(121)     | 5,40             |
| 578-79 565.5-88.0<br>581/575                                  | May               | 629 0               |                        | _              | 605 0            | _                | 38 55            |
| 570-71 578-77<br>575-6  | Jef<br>See        | 631 B               | -12<br>-05             | 633.0          | 607 0<br>611 0   | 2,898            | 18,97<br>5,377   |
| 35.411  | Sep               | 630.0<br>629.1      | -05                    |                | 610 6            | 846              | 11,43            |
| 12,321<br>Organi  | -ign              | 627 4               | -05<br>-05             | _              | _                | 62               | 254              |
| 5410-20 5600-10   | Total             |                     |                        |                |                  | MAR              | 84,81            |
| 5480-00 5575-80<br>5570/5440                                  | ENE               | RGY                 |                        |                |                  |                  |                  |
| 5435-40 5530-35<br>5440-45                                    | a CH              | IOE OIL, H          | YMEX (                 | .006 be        | rrets. S         | harnel)          |                  |
| 50,258<br>17,410  |                   |                     | Day's                  | - Salaria      | Low              | twi              | Open.<br>let     |
| 17,410  | May               | 15.83               | +037                   | 15.96          | 15.47            | 43,829           | 7E.33            |
| \$610 20 5566-75  | Jan<br>Jai        | 16 16<br>18 51      | +0.34                  | 16.30          | 1617             | 47,676<br>15,191 | 47 72            |
| 5636-45 5595-600<br>5590:5570                                 | Ang<br>Sep        | 1673                | +0.29                  | 1C.&2          | 16.58            | \$ 185           | 27.30            |
| 5620-30 5685-90<br>3375-85                                    | Oct<br>Total      |                     | 40 46                  | 17 10          | 17.00            | 2,534<br>1 691   | 17,64            |
| 16 383<br>4.391   | W CPS             | DE CE. 19           | E (Siber               | raft.          |                  |                  | _                |
| زمننا س ۵ ناسو کیا،   |                   | Later               | Day's<br>change        | -              | Love             | Yot              | Open             |
| 1094-95 (6\$6-57<br>1111.5-125 1135-36                        | <b>Jan</b> i      | 14 59               | -6 36                  | 14.74          | 14.33            | 18.273           | 91 560           |
| 1090-04 1177-15   | Jai<br>Sep<br>Get | 14 83               | -0.26                  | 14 97<br>15 26 | 14.65<br>14.98   | 7.917<br>2.823   | 18.52            |
| 1116 5-17.5   | Sep               | 15 39<br>15 63      | +0.22<br>+0.21         | 15 46<br>15 69 | 15 49            | 1 751            | 11.673<br>8.933  |
| 78,466<br>22,113  | Stev<br>Team      | 15 68               | -807                   | 15.96          | 1568             |                  | 10,75            |
|   |                   | THIS CIL            | NYMEX (                | H2,000 I       | ii galle.        |                  |                  |
| 1849 5-51 5 1856-57<br>1870-78 1871-72                        |                   | Littest             |                        |                |                  |                  | Open             |
| 1852/1836<br>1867-68 1864-65                                  | May               |                     | -0 53                  |                | 43.70            | 15,762           | 40,418           |
| 162.019   | Jan               | 45 10<br>46 00      | •0 ₽Z                  | 45.75<br>46.15 | 45 40            |                  | 29 6E2<br>19,483 |
| 111 457   | Aug               | 46 E5               | +0.72                  | 46 90          | 46.45            | 2,154            | 13 874           |
| M 176 (186: 1.867)<br>23 rate: 1.8625                         | Oct               | 43 30               |                        |                | 47 80<br>48 70   | 443              | 7.541            |
| 1,009 6 mby 1,57m 2 mbs 1,57m                                 | Total             |                     |                        |                |                  | 33,0781          | 77,22            |
|   | <b>1</b> 04       | OL PE               |                        |                |                  |                  |                  |
|   |                   |                     | Day's                  | -              | 7.               | was              | Open             |
| DIFFER (COME)()   | May               | 137 75              | <b>charge</b><br>•3 75 | 138.00         | 135 00           | 9132             | 16E<br>31.531    |
| Day's Open<br>Surger High Law Wel had                         | May<br>Jun<br>Jul | 139.50<br>141.50    | +3.50                  | 1.39 50        | 136.75           | 3,440            | 17,782           |
| -2.20 64.80 82.90 142 916                                     | Aug               | 144.25              | +175                   | 143.50         | 1423             | 457              | 9,555            |
| -2 30 85 75 82.80 11 613 22,987<br>-1 95 85 20 83 30 80 2,508 | Sup<br>Det        | 14675               |                        |                |                  |                  | 10.599<br>13,374 |
| -1,80 85.50 83.10 6.631 15.614                                | Total             |                     |                        |                |                  | 21,9961          | 777              |
| -1 10 84 80 83.40 3\$2 5.363                                  | m NAT             | HBALL CHE           | e pre ci.s             | O terz         | s perce          | per Zect         | 21               |
| 20,041 66,215   | May               | 9 030 -             |                        |                | _                | 25               | 2030             |
| METALS  | Jes<br>Tegal      | 8 <del>94</del> 0 - | 0 050                  | -              | -                |                  | 2,000<br>19,756  |
| W M RESORTS   | RAT               | URAL GIS            | MAEX                   | <u> 10,003</u> | mile.            | Samb             | <b>(15)</b>      |
| Sprice Enque Series   |                   | Lafest<br>price     |                        | 1500           | 1-               | Tol              | Open<br>let      |
| 997 50-308 00<br>906 40-306 70                                |                   | 2.535 4             | 0014                   | 2560           | 2.520            | 71.526 -         | <b>46.14</b> 7   |
| 306.30 151.55 460.54<br>306.30 181 19 463.74                  | 20                | 2.575 4<br>2.600 4  | 0.017                  | 2 595          | 2560             | F.085            | 35 489           |
| 107 40-367 70   | Aug               | 2.600               | 0.013                  | 2625           | 2595             | 2,579            | 19,777           |
| KOS 60-306 10<br>KOS 20-307 70                                | Sep<br>Oct        | 2.590               | 0 010<br>4 10 13       | 5910<br>5910   | 2510             | 948              | 13.0-2           |
| old Leading Rates (Va USD<br>_ 4.29 - 6 months                | Total             |                     |                        |                | 1                | Q/IE             | 57,254           |
|   |                   |                     |                        |                |                  |                  |                  |

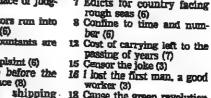
\$2.45 +100 \$2.95 \$1.50 19.461 41.270 \$3.85 +1.11 \$4.15 \$2.71 14.925 \$3.485 \$4.45 +1.11 \$4.60 \$2.26 4.27 13.286 \$4.45 +1.05 \$4.60 \$4.00 \$4.00 \$4.00 \$4.50 +1.05 \$4.60 \$4.00 \$4.00 \$4.00 \$5.40 \$4.00 \$3.90 \$3.20 \$4.00 \$4.00 \$2.70 +0.90 \$2.70 \$2.70 \$1.10 \$4.00 \$2.70 +0.90 \$2.70 \$2.70 \$1.10 \$4.00 \$2.70 \$2.70 \$2.70 \$2.70 \$1.10 \$4.00

|            | GR            | AINS               | ΔNI                | n ni             | 12               | EDS             | 1                 | SOF  | 75                         |                  |                   |                  |                    |                         | ME                    | AT A                           | un I      | IVE      | ern                       | œ           |
|------------|---------------|--------------------|--------------------|------------------|------------------|-----------------|-------------------|--|----------------------------|------------------|-------------------|------------------|--------------------|-------------------------|-----------------------|--------------------------------|-----------|----------|---------------------------|-------------|
|            |               | TUT                |                    |                  |                  |                 |                   | - CE   | IL LIFE                    | (II) No.         | er En             | enci.            |                    |                         |                       | E ONTELS                       |           |          |                           |             |
|            |               |                    | Dur's              |                  |                  |                 | -                 |  |                            | Deg's            |                   |                  |                    | Character 1             |                       | 2 mil                          |           |          | •                         |             |
|            |               | prior              | obsog              | e liigh          |                  | 160             | int               |  | polos                      |                  | _                 | Lem              |                    |                         |                       |                                |           |          | Less                      | Val         |
| 13         | May<br>34     |                    |                    | 74.10<br>76.10   |                  |                 | 1,497<br>1,850    | iliay<br>Jai   | 896<br>1916                |                  |                   |                  | 4,124              |                         | 100                   | <b>税 775</b><br><b>税 125</b> + |           |          |                           |             |
| n          | Sep           | 74 50              | -0.50              | _                | -                | _               | 143               | 100  | 1940                       | -4               | 1943              | 1031             | 1,296              | 21,72                   | Aug<br>Oat            | 89.000 ±                       | 0.175     | 88.050   | 68.550                    | 2,414       |
| 12<br>ID:  | Jes           |                    |                    | 74.万             |                  |                 |                   | Dat<br>Mar   | 1064<br>10 <b>6</b> 0      |                  |                   |                  | 1,710<br>570       |                         | Oct<br>Date           | 99.425 +<br>99.950 -           |           |          |                           |             |
| iĝ         | Total         |                    |                    |                  |                  | 300             | 7,164             | May  | 1106                       |                  |                   |                  | 132                | 13,040                  | Pale                  | 71.100 -                       |           |          | 71.000                    | 84          |
| <b>D</b>   | ता            | MAT COT            | (S, 0000)          | mit; co          | 40.00            | harkel)         |                   | No.  | MA COCE                    | **               |                   |                  | 8,0071             | 12,63                   | Total                 | -                              | -         |          |                           | 10,163      |
| 200        | May           |                    |                    |                  |                  |                 | 30,982<br>55,404  |  | 1572                       | _                |                   | 1540             | 9.00               | 4.005                   | 100                   | ACADE+                         |           |          |                           | -           |
| 8          | Sep           | 325.50             | -0.50              | 358 00           | 319,50           | 1,950           | 8,643             | Jan .  | 1586                       | +18              | 1500              | 1590             | 5,982              | 24,793                  | Jul                   | \$9.625 +                      | 0.990     | 59,700   | 58.800                    |             |
| 187<br>13. | Dec           | 338.75<br>350.00   |                    | 340.00           |                  |                 | 15,941            | Steps<br>Dec   | 3817<br>1844               | +18              |                   |                  |                    | 9,846<br>14,374         | Amp<br>Out            | 57.475+<br>54.450+             |           |          |                           | 517<br>288  |
| Ŕ          | <u> </u>      | 355 00             |                    | 355.00           |                  | 5               | 74                | Mar  | 1676                       | +13              | 1677              | 1957             | 245                | 6,842                   |                       | 54.300 +                       | 0.000     | 34.850   | 53,500                    | 244         |
| _          | Total         | EEE CAT (          | s mo w             | -                | _                |                 | 114,230           | May<br>Total   | 1005                       | +13              | 1885              | 1685             | 20                 | 4,147<br>72,488         | Pois<br>Teatai        | 57.400 44                      | 0.725     | 18,000   |                           | 19<br>6.207 |
| 2          | Max           |                    | _                  |                  |                  | _               | \$2,177           | ME COC   | <b>BA (CCC)</b>            | SOR's            |                   |                  | _                  |                         |                       |                                | OE        | ar year  |                           |             |
| Ĭ          | Jul           | 258.00             | -1.25              | 258 00           | 331.25           | 35,671          | 122,653           | Apr 15   |                            |                  | Pi                | tice             | P                  | en, day                 | May                   | 58.950 ±                       |           |          |                           |             |
| R          | Sup<br>Dec    |                    |                    |                  |                  |                 | 29,902<br>107,620 | Daily ,.   | 应证                         |                  | 1231              |                  | 1                  | 215.74                  | Jel<br>Ang            | 57.200 +<br>54.525 +           |           |          |                           |             |
| 7          | Mar<br>May    |                    |                    | 276.75<br>281.50 |                  |                 | 5,596<br>664      | May  | 1982                       |                  |                   | 1995             | 1900               | 40.076                  | Sep                   | 59.500 +                       | 0.700     | 0.500    | -                         | 2           |
| 0          | Total         | 201 74             | -124               | 451.30           | 21-0,00          |                 | <b>31,57</b>      | a de la companya de l | 1869                       | +7               | 1890              | 1858             | 4,637              | 20,864                  | Technical Control     | 48775+                         | 12/5      |          |                           | 17<br>2,176 |
| 3          | <b>10</b> 544 | IN IN              | £ (100 t           | West, I          | ye w             | =_              |                   | ing<br>ing   | 1961<br>1811               | +1               | 1852<br>1800      | 1620<br>1784     |                    | 3,762<br>1,462          |                       |                                |           |          |                           | -           |
| 5          | May           | 73.50              |                    | -                | •                | -               | 218               | Jim  | 1771                       | +1               | _                 | -                | _                  | 111                     | 100                   | DON 7                          | TRAFT     | en (     | WY YOU                    | we          |
| 7          | Sep.          | 74.50              |                    | 74.50            |                  |                 | 10<br>632         | TO DE  | 1731                       | +1               | 1/16              | 1705             | 25<br>1,286        | 67,421<br>46,421        |                       | price \$ to                    |           |          | Ar LO                     |             |
|            | Jac<br>Mar    |                    | -625<br>-026       | -                | _                | =               | -                 | M COR  | RE V O                     | ί.               | 900kg (           | and after        |                    | _                       |                       |                                |           | _        | _                         |             |
|            | Section 1     |                    |                    | _                |                  | 19              | -                 | 1  |                            |                  |                   | 148.25           |                    |                         | 100                   | UE                             |           | 100      | Sep                       | 300         |
| -          |               |                    | CET DA             | myn ar           |                  |                 | _                 | Jel<br>Sep   |                            |                  |                   | 144,00<br>138,50 |                    |                         |                       |                                |           | 98       | 71                        | 33          |
| ı          | Harry .       | 641.25<br>641.50   |                    |                  |                  |                 | 43,E11<br>58,246  | Ber.   | 123.50                     | -0.80            | 132.95            | 131.75<br>128.50 | 354                |                         | 1550 .                |                                |           | . 8      | 31                        | 183         |
| -          | A             | \$47.00            | +875               | 644.50           | <b>535</b> 50    | 1,254           | 11,777            | <b>Contract</b>  | 128.75                     |                  |                   | 128,00           | 3                  | 985                     | Garde                 | A UE                           |           | 200      | 349                       | 100         |
| 5          |               | 625.25<br>617.75   |                    |                  |                  |                 | 2,525<br>35,525   | Total  | E (C)                      | S. cont          |                   |                  | 11,263             | 11,01                   | 1702                  |                                |           | . 168    | 176                       | #6          |
| 3          | Jame<br>Total | 625.00             |                    |                  |                  | 92              | 1,569             | No. 16   |                            |                  |                   |                  | _                  | n, des                  | 1800                  |                                |           | . 🦛      | 116<br>73                 | 44          |
| 0<br>5     |               | YABBAN O           | EL COT             | (69,0 <b>9</b> 0 | bs: cent         |                 | restrem           | Cotop. c   | interation —               |                  | 124               | .15              |                    | 124.59                  |                       | HIE URE                        | -         | M        | Sap                       | J           |
| •          | Stary         |                    |                    |                  |                  | 8,935           | 46,418            |  | E Ziegi<br>Mesis –         |                  |                   |                  |                    | 120.57                  | 1157                  |                                |           |          | 133                       | 86          |
| -          | Aug.          |                    |                    |                  |                  | 10,882<br>3,734 |                   | Amp  |                            |                  | _                 | 345.5            |                    | 7 568                   | 1950                  |                                |           | 20 72    | 11k<br>163                | 91<br>123   |
| •          |               | 27.69              | +0.09              | T.N              | 27 69            | 351             | 7,322             | Oct  | 256.8                      | -1.6             | 258.0             | 252.5            | 1,492              | 9,005                   |                       | COM UPTE                       |           | 1        | No.                       | Jøl         |
| -          | Oct<br>Dec    | 27.30<br>26.98     | -0.03              | 27.40<br>27.20   | 27.20            | 2.499           | 18,619            | Mac<br>Mar   | 267.3                      |                  | 2023              | 259.0<br>263.6   | 343                |                         | 1973<br>1900          |                                |           |          | 20°                       | 14<br>25    |
| 3          | Total         |                    |                    |                  |                  | 3532            |                   |  | 2705                       | -1.5<br>+1.5     | -                 | -                |                    | 1,502                   | 1025 _                |                                | _         | *        | 98                        | 35          |
| 5          | 347           | MAENI I            |                    |                  | _                | _               |                   | Amp<br>Total   |                            |                  |                   |                  | 4,006              |                         | 1450                  | 1 0                            | E PR      | <u>-</u> | - Jrk                     | 36e<br>54   |
| 8          | 7             | 163.8              | +05                | 1655             | 160.5            | 10,894          | 45,248            |  | # 71° CS                   |                  | _                 |                  |                    |                         | 1906                  | -                              |           | -        | 75                        | -           |
|            | λ==<br>3=p    | 165.3              |                    |                  |                  | 1,583<br>1,232  |                   |  |                            | -0.11            | 830<br>832        | 8.95t            | 2.343 4<br>5.522 6 |                         | 1550                  | -                              |           | 22       | -                         | -           |
| _          | Get<br>Doc    | 165.2              | +1,0               | 186.5            | 1125             |                 | 5,520             | Oct<br>May   | 8.13                       | -0.14<br>-0.08   | 9.22              | 9.05             | 3,786 4<br>1,789 2 | 6,031                   | •                     |                                |           |          |                           |             |
|            | S DEED        | 166 1              | 76,8               | 1082             | Mar B            | 3/0             |                   | No.  | 3.64                       | -0.10            | 9.72              | 9.60             | 134                | 2,005                   | LON                   | DON:                           | SPO       | T M      | ARK                       | ETS         |
| 8 7        | ii Pgr        | が配り                | 莊國                 |                  | E par la         |                 |                   | Jel<br>Teksi   | 9.72                       | -6.10            | \$.77             |                  | 10<br>E72) 11      |                         | CIN                   | DE OL FO                       |           |          |                           | - 4         |
| 5          | Hay<br>Jazz   | \$4.5<br>83.0      | -25                | 66.0             | 64.5             | 22              | 358               | ■ C081   | UM INCE                    | 50,000           | his cunt          | أوقاع            |                    |                         | Dated<br>Dated to     | lend (dalah                    |           |          | DD-2.95                   |             |
| •          | No.           | 64 6               | _                  | _                | _                | _               | - 1               | May  |                            |                  |                   | 63.29            |                    |                         | Street 8              |                                | •         |          | J947                      |             |
| 1          | Mar<br>Apr    | 82.0<br>151.0      | -                  | 153.0            | 148.5            | 166             | 486               | Jack<br>Det  |                            |                  |                   | 84.75 ·          |                    |                         | W.T.I.                | -                              | -         | \$18     | 27-629                    | 4           |
| •          | Total         |                    |                    |                  |                  | 186             | 884               | Dec  | 91.30                      | +8.77            | 85                | 98.95            | 1455 3             | 1,125                   |                       |                                |           |          |                           |             |
|            | _             | CAT (SP            |                    | _                |                  |                 |                   | jihay<br>May   |                            |                  | 70.55<br>71.50    |                  | 155                |                         | Property<br>Gass Citi | Squite                         |           |          | (65-142<br>38-140         |             |
| !          | Ape<br>May    | 1020               | +35                | 1020             | 1000<br>995      | <b>58</b>       | 297<br>275        | Total  |                            |                  |                   |                  | 428 1              |                         | Housy I               |                                |           | 1        | 72-74                     |             |
|            | 200           | 95                 | +10                | 935              | 930              | 19              | 26                |  | DE JOILE                   | _                |                   |                  | _                  | _                       | Jet find              |                                |           | 31       | 31-133<br> 46-148         |             |
| Ž          |               | 945<br>1078        | +50                | 955              | 555              | 1               | 313<br>136        | 24   | 594.30                     | -2:30<br>-2:30   | 55.00<br>55.00    | 配方<br>组第 1       | 2735 C             | 2,386<br>1,477          | Steps<br>In pass      | <b>-</b>                       | -         | \$1      | <b>42-145</b>             |             |
| 5          | 300           | 1090               | *30                | -                | _                | -               | 50                | Sep  | 97.39                      | -2.79            | 99,55             | 7.乙              | 461                | 5231                    |                       |                                |           |          |                           |             |
| 2          | Total         | Charge             | Prom               |                  |                  | 135             | 1,415             | Jan  | 102.30                     | -220             |                   | (Z) (E)          | 136 3              |                         | Rector :              | ren)<br>Frigue 3d              | Lamber 1  |          | 1942)<br>17 AZ            | -4          |
|            |               | 963                | \$95               |                  |                  |                 |                   | Total  | 104.80                     |                  |                   |                  | 1                  | 768                     | 1                     | -                              |           |          | _                         |             |
|            | PUL           | P AN               | D P                | APB              | R                |                 |                   |  |                            |                  |                   | ,                | 5,145 2            | -                       |                       | r toy cs)                      |           |          | 07.75                     | 4           |
| _          |               | PEX CML            |                    |                  |                  |                 |                   |  | -                          |                  |                   |                  |                    |                         | Silver (              |                                | -         |          | 6.85c                     | - 1         |
|            |               | 242                | Day's              |                  |                  |                 | âpes.             |  |                            |                  |                   |                  |                    | $\neg$                  |                       | u (est pel<br>i îst jeî        |           |          |                           | -14<br>-17  |
| 5          |               |                    |                    | Eligib<br>co.co. |                  | 166             |                   |  | el Dilitik<br>Naraki gal   | 144              | - حال و           | -                |                    | _                       | Cippe                 |                                |           | :        | 71.Rc                     |             |
|            | Jane.<br>Sep  | 538.00<br>558.58   |                    |                  |                  | 22<br>13        | 521<br>255        | tracted  | 07 0046                    | i, ayar          | र धा,             | HTLE, (          | ALE, CE            | Œ                       | Land (U.<br>The Otto  | 6 (1699)<br>6 (1699)           |           |          | 5.00e                     |             |
|            | Petal         |                    |                    |                  |                  | 42              | 11                |  | Coude (di<br>Injeresii Inj |                  |                   |                  |                    | 4                       | in Par                | r Testg                        |           |          | <b>57.</b> 5 .            |             |
|            |               |                    |                    |                  |                  |                 |                   |  |                            |                  |                   |                  |                    |                         |                       | ine weight)<br>he weight       |           |          | 6.75p<br>11.21p           | +1<br>+7    |
|            | All take      | ه شف ها            | الوائية            | ) (MS.           |                  |                 |                   |  |                            |                  |                   |                  |                    |                         |                       | s Amides);<br>no Modesi        | ,         |          | 25.0<br>1757b             | 14          |
|            |               |                    |                    |                  |                  |                 |                   | MOK  | XS.                        |                  |                   |                  |                    |                         | Los. day              | Sugar (ta                      | •         | 52       | 32.40                     | -4          |
|            |               |                    |                    |                  |                  |                 |                   | a but  | s (Bate )                  |                  | = 100)            |                  |                    |                         | Design (              | r Rugar (wi<br>Brg., feed)     | •         | _        | 151.50<br>Voq             | -2          |
|            | Wo            | ol ton             | Malfett            | & Co             |                  |                 |                   | Apr 1:   |                            | : 15             | 1010              |                  | par :              |                         | Make \$               | 馬 [6] 14                       |           | . 5      | 92.90                     |             |
|            | dear          | v Zesta<br>er pnce | RTEL: W<br>S this: | voor s<br>voerk  | olid a<br>the on | s sigi          | ion               | 7657.1<br>20 CRB 6   | viere ()                   | 99.6<br>Nov. 191 | 1956<br>17 = 1966 |                  | 194                | u u                     | Rebber 1              | 25 Duk 20<br>Mariff            | 400       |          | ОЦ<br>7.25a               |             |
|            | test          | of the r           | world (            | markei           | - Rec            | HA MAG          | ak-               | Apr 1  |                            | 14               | _                 | 7                | 700 0              | _                       | Balaber (             | Jedy                           |           | 4        | 125                       |             |
|            |               | s in th            |                    |                  |                  |                 |                   | ZZ5.14   |                            | 5.24             |                   |                  | -                  | -                       |                       |                                | 4         |          | 00.00m                    | +1          |
|            | with          | the cur            | Tency              | Lactor           | and              | the su          | me                | Agr 1  |                            | 14               | _ <u>-</u> -      | _                | _                  | _                       | Pales CE              | Maley S                        |           | 6        | 700                       | +7          |
|            |               | apply m            |                    |                  |                  |                 |                   | 165.87   | 19                         | .87              | 758.              | <b>50</b>        | 198.5              | •                       | Capra (F<br>Sayaber   |                                |           |          | 71.2 <sub>7</sub><br>95.5 | 4           |
|            | Worl          | id dema            | and re             | अपन्याप          | low.             | Supp            | les.              | OF THE   | BURE S                     |                  |                   | _                | _                  |                         | CHECK O               | Makit In                       |           |          | 4.55                      | -0          |
|            |               | hiling a<br>lucts. |                    |                  |                  |                 |                   | Alepinhe   |                            | -2               |                   | 25<br>10         | 4                  | 1,025<br>1,235<br>1,255 | •                     | (Dife Supr                     | neim abel | al a se  | 50)<br>Mile e d           |             |
|            |               | तुर्द्ध 12<br>व    |                    |                  |                  |                 | _                 | ر الرابع<br>الرابع   |                            | -5.<br>+7        | 450               | 2                | 30                 |                         |                       | e Differ                       |           |          |                           |             |

| -              | 200                 | 1861                    | +1               |                  |              |                | 3,762            |  | _                             |            |
|----------------|---------------------|-------------------------|------------------|------------------|--------------|----------------|------------------|--|-------------------------------|------------|
| 218            |                     | 1811<br>1771            | +1<br>+1         | 1800             | 1784         |                | 1,482            |  |                               |            |
| 19             |                     | 1731                    | +1               |                  | 1706         |                |                  | LONDON TRADE   |                               | N5         |
| 622<br>94      | You                 |                         |                  |                  |              |                | 46/401           | Sirfiu price \$ teams  | — (all) —                     | -h         |
| 1              |                     | FE T C                  |                  |                  |              | -              |                  | THE PERSON NAMED IN  |                               |            |
|                | Ad .                | 151.65<br>145.25        |                  |                  |              |                |                  | HEIPH LINE   | 26 71                         | <b>35</b>  |
| •              | Asp                 | 135.05                  | -1.70            | \$40 <b>.0</b> 0 | 138.50       | 974            | 5,286            | 1450<br>1500<br>1550   | 35 71<br>16 46                | 22         |
| 3,631<br>8,246 | 25457               | 132.25                  | -0.80            | 125              | 131.75       | 354            | 4,659            |  | 6 31                          | 183        |
| 1,777          | <b>E</b> ,          | 128.50<br>128.75        | -0.75            | 123.30           | 128.00       | 3              |                  | COPPER CO  | A                             |            |
| 1,525          | Total               |                         |                  |                  |              | 11,223         | 31,000           | (Grade A) LSE<br>1700  | 162 175                       | 76<br>16   |
| 5,525<br>1,589 |                     | E (C)                   | 16 cent          |                  |              |                |                  | 1800   | 80 11k                        | 4          |
| 12,763         | No. 10              | -4.                     |                  |                  |              | •              |                  | 1907   | 2 73                          | 9          |
|                | 15 day :            | succie -                |                  | 129.             | .13<br>E7    |                | 124.59           | IN CHARLE THE  | M Sq.                         | 74         |
| 6,418          | # 1885              | E STER                  | UFF C            | -                | t, 51m       |                |                  | 1997   | #15 13)<br>90 11k             | 86<br>21   |
| 7.665<br>3.555 | Ann                 | 251.3                   | -1.9             | 252.5            | 345.5        | 2291           | 17,568           | 1950   | 72 183                        | 123        |
| 7.322          | Oct                 | 255.8<br>362.1          | -1.6             | 258.0            | <b>22.</b> 5 | 1,492          | 9,005            | DECOM UPTE   |                               |            |
| 6,639<br>6,619 | Mar.                |                         |                  | 262.5<br>263.8   |              |                | 1,055            | 1000   | SS 27'                        | 14<br>25   |
|                | May                 | 2795                    | -1.5             | -                | -            | _              | 1,502            | 1000   | <b>26</b> 98                  | 35         |
|                | May<br>Ang<br>Total | 272.5                   | 41.5             | -                | _            | 4196           | 102<br>30,802    | A CHARLE OF THE PER  |                               | Je.        |
| D)NEW          |                     | 11" CS                  | <b>CE</b> (112   | JONES            |              |                |                  | 1450   | • -                           | 54         |
| 6,248<br>6,244 | -                   |                         | -0.24            | 830              |              |                | 45,135           | 1916   | - 76<br>22 -                  | -          |
| 2.032          | . And               | 8.83                    | -0.11            | 8.92             | 2711         | 5,522          | 63,130           |  | _                             |            |
| 5,520<br>6,195 | Oct<br>May          |                         | -0.14<br>-0.08   | 9.22             |              |                | 45,031<br>21,229 |  |                               |            |
| MI             | *                   | 9.66                    | -0.10            | 9.72             | 9.60         | 134            | 2.05             | LONDON SPOT  |                               | 13         |
|                | Jel<br>Teksi        | 9.72                    | -6.10            | \$.77            | 9.63         | 10<br>12 730 1 | 1,495            | III CHASE OL FOR ON IN   | 178)                          | - 4        |
| 358            | -                   | THE INCE                | 50.00            | inic comi        |              | -020           |                  | Delet  | \$12.00-2.95                  | -          |
| 1              | No.                 | 845                     |                  |                  |              | 9 715          | 13.004           | Great Stand (chind)  | \$13.28-3.3M                  |            |
| _              | - Jan               | 65.96                   |                  |                  |              |                |                  | Brant Share (Jun)<br>W.T.L   | \$14.79-4.77<br>\$18.27-6.29s |            |
| 486            | Det                 | E\$ 03                  |                  |                  |              |                |                  | SI CAL PRODUCTS HATE DO  | mpt delicary (2)              |            |
| 864            | Dec                 | 知.对<br>7073             |                  |                  |              |                |                  | Provident Statution  | \$165-167                     |            |
|                | May                 | 71.40                   | +4.85            | 71.50            |              |                | 2,496            | Gas Cili   | \$138-140                     |            |
| 275            | Total               |                         |                  |                  |              |                |                  | Housy Faul (1):<br>Mariths   | \$72-74<br>\$131-129          |            |
| 24             |                     | ME JAKE                 |                  | 1,110            |              | <u> </u>       | _                | Jet Test   | 314-14                        |            |
| 313            | 24                  | 98.55                   |                  |                  |              |                |                  | Sleed  | \$142-149                     | -          |
| 136<br>98      | Sep.                | 94.30<br>97.30          |                  |                  |              |                |                  |  |                               |            |
| 1,415          | No.                 | 98.80                   | -220 1           | TOT. 002         | 82           | 196            | 3.876            | Bacton (Pipt)  | 2.10-4.20                     | -6         |
|                |                     | 1(72.3t)<br>104.8t)     | -220 1<br>-230 1 | 102.00 T         |              | 13             | 1,357            | Patriage Ages, Tel. Lawler (   | 177 肾 解                       |            |
|                | Total               | -                       | -12-400          |                  |              | 5,146 :        | 22,575           | N THE  |                               |            |
|                |                     |                         |                  |                  |              |                | -                | Could dear plack collisies   | \$307.75                      | 46         |
|                |                     |                         |                  |                  |              |                |                  | शिक्त क्षेत्र क्षेत्र वर्धने<br>शिक्षका क्षेत्र क्षेत्र वर्धने                                       | <b>406.9</b> 5c ·<br>\$408.60 | 100        |
|                |                     |                         |                  |                  |              |                | _                | Pulletion (see top az)   | \$256.30                      | -14<br>-17 |
|                |                     | ME DAZA<br>Interest gas | 4144             |                  |              |                |                  | Chipm  | 91.Bc                         | -          |
| 521            | haded               | 07 COVE                 | HYME             | ECHT.            | MALE O       |                |                  | Lead (US pout)   | 45.00e                        |            |
| 荔              | बार्च ही            | E Clude Of              | 279 (M           | e day it         |              | (lates         | - 4 (            | The (Marilo Lauryou)<br>The (Mary York)  | 20.23r<br>258.5               |            |
| _              | Chen                | وا الدوراد              | <b>2</b> 27      |                  | izide) a     | wite.          | -                | Cable (See weight)   | 86.75p                        | +1,        |
|                | <u> </u>            |                         |                  |                  |              |                |                  | Shoop film weight  | 111.21p                       | +7         |
|                | THE PARTY NAMED IN  |                         |                  |                  |              |                |                  | Figs. Sinc temptiff  | 75.81g                        | - 14       |
|                | MON                 |                         |                  |                  |              |                |                  | Tor. 495 grids. (1994)   | \$232.40<br>\$253.50          | -4<br>-4   |
| <b>-</b> ~     |                     | 15 (EXE.)               |                  |                  |              |                |                  | Parties (Part Tear)  | Time                          | _          |
|                | Apr 1               | § /                     | 15               | 100              | age          | 702            | 200              | Malze 635 Nes Yelland  |                               |            |
| y I            | 1857.               | r es<br>Notaros (S      | - 2.00<br>       | 166<br>166 - T   |              | 194            | 30               | Wheat (US Durk Hurs)<br>Relater (May)(4)   | Эц<br>47.25a                  |            |
| k-             | Apr 1               |                         | 14               |                  |              | _              |                  | Philips: (Jest)  | 48.25                         |            |
| 20             | ZZ5.14              |                         | 1.24             |                  |              | 700            | _                | Author (FL 1955 Not)   | 200.00m                       | +1         |
| 2              |                     | Spot (Rass              | 1970             | = 100            |              |                |                  | Concest Oil (Polp)   | 590.0y                        | +1         |
| 96<br>96       | Apr 1               |                         | 14               | -                |              | 7              |                  | Pales CE (Malay.)§<br>Capes (Plat§   | 6701)<br>5371.8 <sub>7</sub>  | +1         |
| S.             | 165.87              | 7 19<br>2000 S          | 5.87<br>Michie ( | 731              | <b>5</b> 0   | 198.           | 58               | Seyaberra (18)   | 105.5                         | +6         |
| B3             | - The same          |                         |                  |                  | 20           |                | of the           | Caller Calles(IX Index<br>Workspar (Dife Super)  | 64.55<br>35 <b>0</b> )        | -8         |
| 749<br>166     | <b>Alteriates</b>   |                         | -2               | 3                | io.          | - 4            | 4,290            |  | i i magnin, e ca              |            |
|                | ر ماری<br>مرازی     |                         | -5.<br>+73       | 450<br>K         | 9            | 3              | 00,000<br>07,258 | E per trous value charries sink<br>in, a Militare contribe y Marie<br>Baserine. — Ballon states sink | a z ba Plonio                 | hydra      |
| Į              |                     |                         | +5               | •                | ī            |                | N 200<br>15,236  |  |                               |            |
|                | Zite<br>Ta          |                         | -77              |                  | 1            |                | 7,150            |  |                               |            |
|                |                     |                         | 166              |                  |              |                | 7,396            |  |                               |            |
|                |                     |                         |                  |                  |              |                |                  |  |                               |            |

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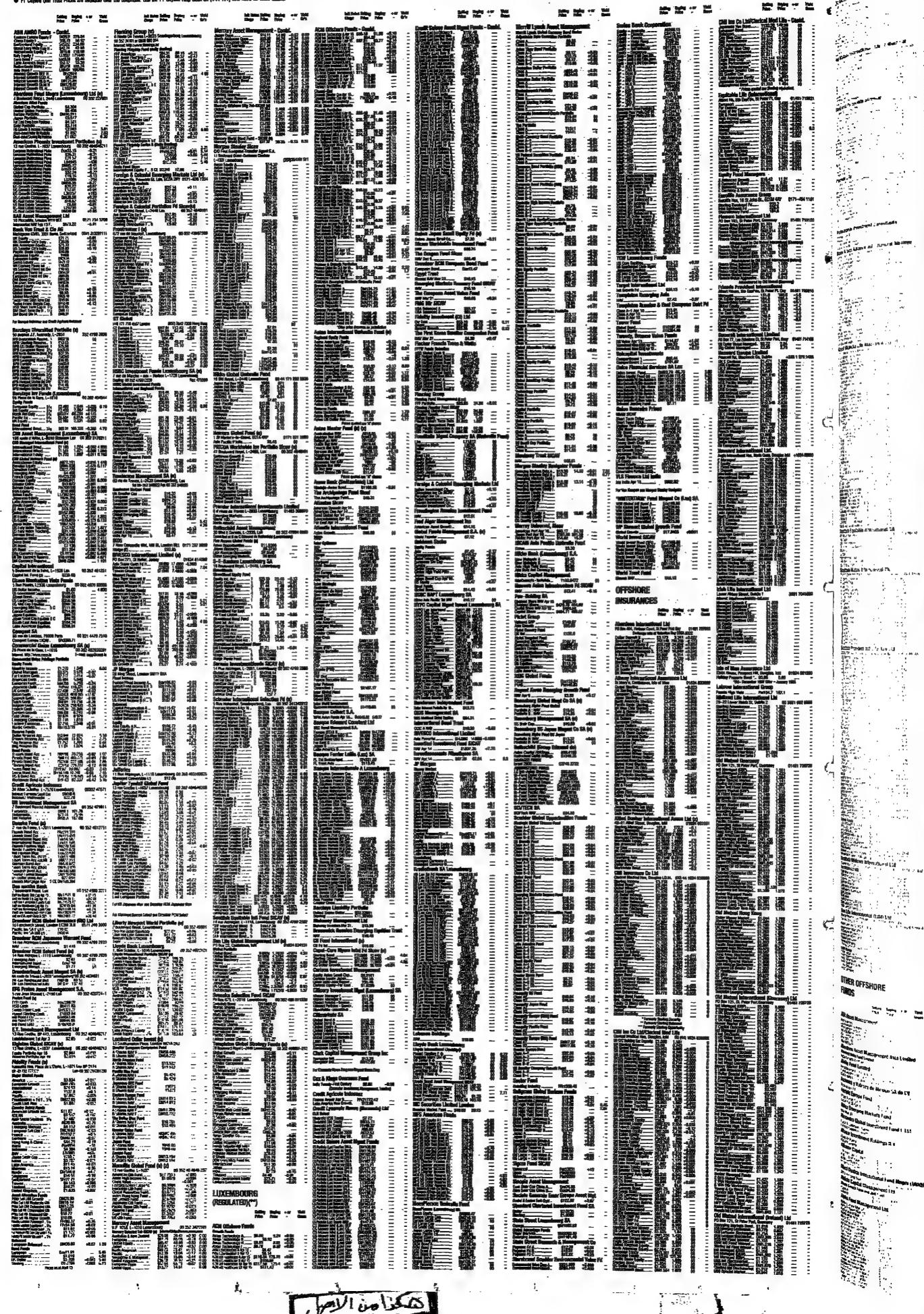
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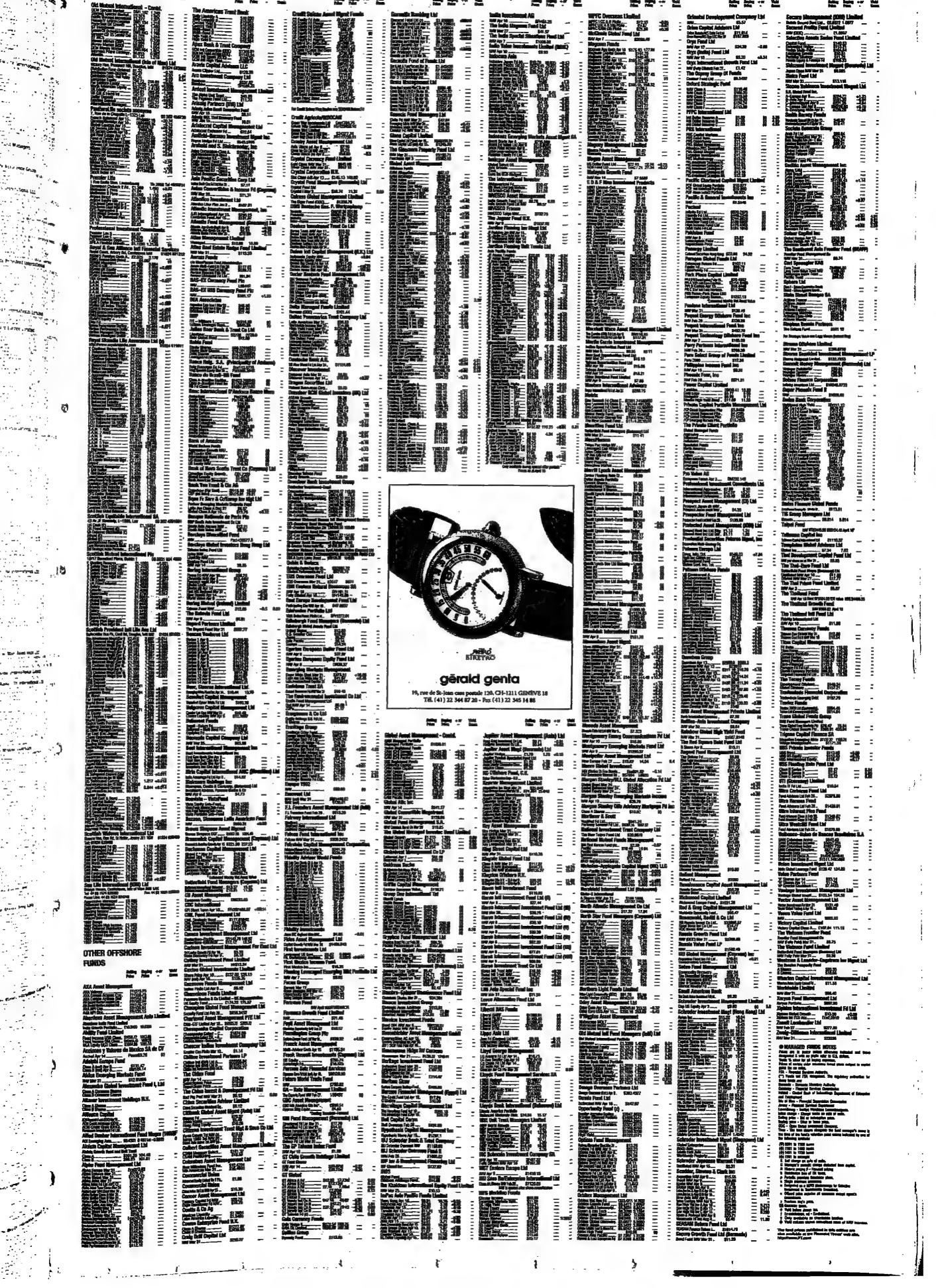
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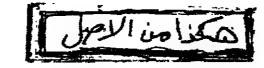
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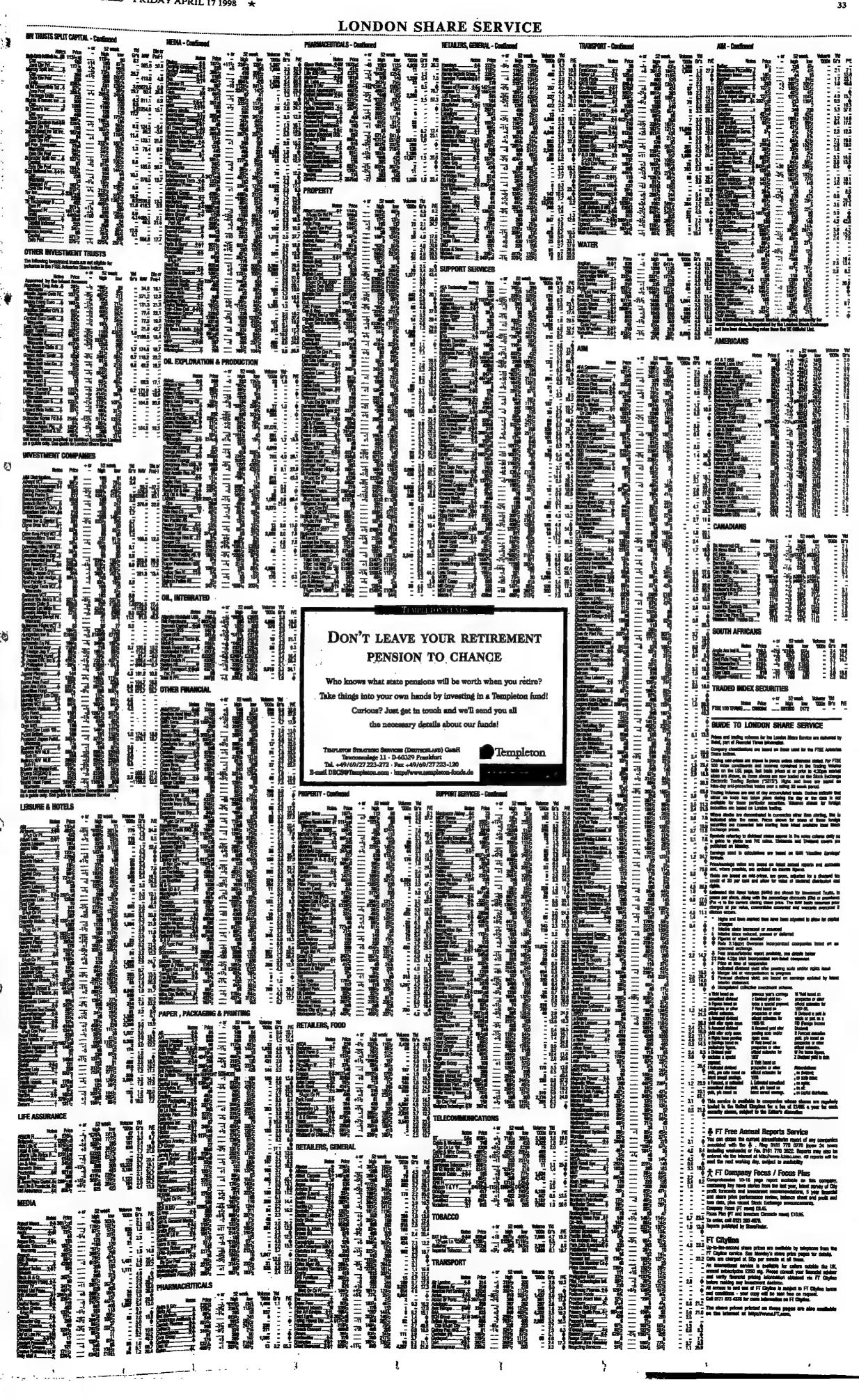
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# Equity market comes under increasing pressure

MARKET REPORT Av Steve Thompson

London shares fell for the third consecutive session -and for the fifth out of the past six trading days - as the stock market continued to register its unease over the direction of UK interest rates and sterling.

Adding to London's discomfort was a bout of worryingly severe weakness across many of the Asian markets, cent, Hong Kong 1.6 per cent. Seoul 3 per cent and for much of the afternoon by those institutions that

Jones Industrial Average as Wall Street began trading.

But the real downside pressure in the leaders came from a big sell-off in the bank sector which was hammered by sellers after a bearish report on Lloyds TSB in yesterday's Financial Times and also by a profits downgrade instigated by influential brokers.

Dealers staffing London's trading desks were alarmed to see the FTSE 100 index post a three-figure fall and lose the hard-won 6.000 level

sharp decline in the Dow the close to finish 72.1 down weightings in the UK for outlook for interest rates," noon and settled at a session at 6,002.0.

The index was always under pressure, with Wall Street's dismal opening triggering a welter of selling pressure in mid-afternoon, which saw the index slide more than 109 points at its worst in mid-afternoon. Senior traders were by no

means reassured by London's late rally, however, pointing out that what began a couple of days ago as small pockets of profittaking had started to develop into genuine selling

reached \$1,880 a tonne, a

tric Company and French

group Alcatel-Alsthom are

planning to draw a £770m special dividend from their

joint venture GEC-Alsthom

bafore its flotation later this

year did little to attract

The shares gave up 5 to

452p, with 4.2m having been

Dealers suggested there

brokers that the company is

unlikely to meet the current

profits forecast for the year

to March 1999 of about

investors to the stock.

dealt by the close.

News that General Elec-

some time.

"It's common knowledge that the big four UK fund management groups have only reaching 763.8m shares formers with Lloyds TSB been underweight for some time, but there are plenty that have been running with the tide and they have been selling into the most recent FTSE 250, which held up surge," said one market well during the morning and

Others insisted that the heavy falls across the market owed more to a general markdown. "The buyers have pulled out of the marthey won't reappear until we period, looked increasingly

another dealer said. Volume low of 2,630.3, down 6.2. figures tended to back up that assertion with turnover at the 6pm cut-off, well

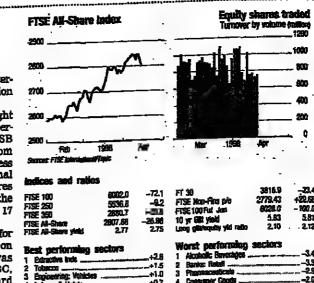
The other FTSE indices were similarly hit, with the early afternoon, finally succumbing to the flurries of selling pressure and finish- more than 20 FTSE points on ing the day 9.2 off at 5,536.8. the downside and was The FTSE SmallCap, which was never really under presket and the feeling is that sure during the morning

below recent levels.

Thailand 2.2 per cent, and a before rallying just before have been running full get a clearer picture of the vulnerable during the after-Bank stocks supplied eight

of Footsie's worst nine perattracting big selling from the institutions as the press pinpointed the exceptional performance of the shares this year, which has seen the stock price climb about 17

Lloyds alone accounted for accompanied by HSBC, Schroders and Standard Chartered among the poor performers.



### **Bears** get claws in banks

**COMPANIES REPORT** By Peter John and Joel Kihazo

After lumbering around in the backwoods, the banking bears had their day yesterday. They got their claws into Lloyds TSB which was single-handedly responsible for taking more than 20 points off the FTSE 100 index at one stage.

And they took chunks out of the rest of the leaders. **HSBC**. Standard Chartered and National Westminster were among the most badly hit Footsie stocks. They were jointly responsible for taking a further 30 points off

Lloyds received a double hit as comment in the financial press highlighted the stretched valuation for the bank and SBC Warburg Dillon Read turned cautious.

Warburg cut its, 1998 forecast from £3.647bn to 23.597bn and for 1999 from 24.013bn to 23.823bn. The broker moved its stance to "hold" from "buy" on the stock.

The shares, which had been trading at an all-time high earlier in the week. were down 77 at worst and ended the day 68 lower at 995p. Meanwhile, HSBC fell 95 to £17.87 and Standard Chartered 35 to £10.04.

The rationale was slightly different among the big jump of about \$100. mortgage lenders. They have not benefited from the recent US consolidation. But they have been driven sharply higher since demutualisation as big institutions have struggled to build an appropriate weighting. Woolwich fell 8% to 363p and Halifax 17 to 871p.

RioTinto, one of the world's biggest mining comnanies, was boosted 28 to 832p after Dresdner Kleinwort Benson advised clients

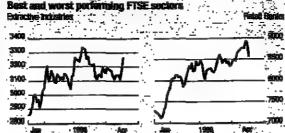
to "buy". The stock has also been lifted by strong rises in the

953 1,018 1,434

| FT 30  | INDEX          |        |                |  |   |                                  |                                  |                                  |
|--|----------------|--------|----------------|--|---|----------------------------------|----------------------------------|----------------------------------|
|  | Apr 16         | Apr 15 | Apr 14         | Apr 9  | AF S  | Yr ago                           | High                             | Low                              |
| FT 36<br>Ord. ellv, yield<br>RE calls mit<br>P/E resio nil<br>FT 30 elect comp | 24.76<br>24.48 | 24.68  | 24.97<br>24.75 | 3855.7<br>2.84<br>24.90<br>24.77<br>10840, Inc | 3824.4<br>2.86<br>24.77<br>24.55<br>0ms 1/7 | 2834.1<br>I.MR<br>18.94<br>16.76 | 3672,4<br>4.22<br>25.06<br>34.84 | 3798.1<br>2.83<br>15.90<br>15.71 |

price of copper, which £1.15bn. One analyst, who

|  | Apr. 16 | Apr. 15 | Apr 14     | Apr 9    | ing 1          | Yr ago |
|--|---------|---------|------------|----------|----------------|--------|
| EAG berpuins   | 63,696  | 66,942  | 72,434     | 65,118   | 67,376         | 40,046 |
| inally burnover (Emir)   |         | 2977.8  | 2856,8     | 20147    | 4468,4         | 1734.7 |
| quity bergains;  | -       | 57,452  | 57,360     | 58,501   | 63,089         | 37,090 |
| ingres traded (out)  | -       | 777.3   | 211.5      | 863.0    | 987.A          | 491.   |
| ojal market bergelest  |         | 00      | 69,116     | 88,143   | 78,801         | 26     |
| ogal turnover (2005).  |         | 192     | 3974.5     | 5031,9   | 6188.8         |        |
| icial shee tracked (rol):                                      |         | 100     | 948.3      | \$1181.1 | <b>#1304.6</b> |        |
| radopolut tumovik (Zini  | 33.3    | 33.4    | 24.5       | 23,1     | 38.9           | 2      |
| below the intoquies  | 5,868   | 8.338   | 3,688      | 7,305    | 7,171          | 871    |
| Recipionis, ampo provinci<br>Recipionis intro-provinci anti co |         |         | Cast ismos |          |                | ± UK W |



was concern among some declined to be named, said: "Given the strength of sterling and the weakness of the Asian market, which accounts for about 15 per cent of group sales, current year profit estimates may be a little too high."

Shares in engineering group GKN moved sharply ahead, up 32 to £16.35, after announcing it was entering exclusive talks with Italy's Finmeccanica to set up an alliance of their helicopter divisions early next year. The new business will combine GKN's Westland unit and Finmeccanica's Agusta. to create one of the world's biggest helicopter manufacturers. Its aggregate order book is estimated at \$8.5bn.

GRN was also said to have denied recent reports that it was back in talks with Vickers to sell its armoured vehicles business. Vickers shares eased a penny to 234%p in volume of 3m.

Sentiment in GKN was anhanced by reports of stronger-than-expected Europeen car sales in March. The company remains a significant supplier of components to Europe's automotive industry.

The same sentiment helped underpin the day's improved 8 to 165p after it trading in Lucas-Varity. The

shares edged forward to close at 2660. Pharmaceuticals were under pressure again partly in the wake of quarterly fig-

ures from Merck. Zeneca fell 77 to £25.75 as old takeover hopes were punctured by comments from Roche of Switzerland that it had no acquisition plans. Roche has historically been seen as the most likely suitor for the company. SmithKline Beecham.

which failed to inspire brokers on Tuesday with the first of its two research and development presentations, was unable to recoup its losess when it presented in London yesterday. The weak all week, alid a further 24 to 725p with some additional pressure from potentially bearish trades in options. Finally, Glazo Wellcome dropped 49 to £16.73.

#### Aagis drops

Aegis, the media group, dropped 7 to 72%p after announcing a placing of 353.2m shares by Cazenove on behalf of Warburg Pincus, the venture capitalist, Electra Private Equity Part-ners and members of the Gross family, the original owners. The placing was 42.5 per cent of the shares.

First Leisure Corporation was the best performing

shares jumping 30 or pearly 9 per cent to 367p - after it confirmed speculation that it had received a number of unsolicited approaches from parties wishing to buy its resorts division.

The company said: "The board has decided to consider these approaches." But it indicated that discussions were at an early stage, with no firm offers yet received,

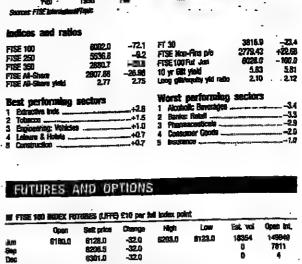
In telecoms, shares in Gen eral Cable, the UK's second largest cable company, agreed to a £649m bid from Telewest Communications. the country's second largest cable company. The bid, announced after Wednesday's market close, followed an announcement on March 29 that the two companies were in merger talks. Telewest shares ended the day 3%

lighter at 851/2. Among mobile operators, strong demand for Orange helped it resist the market trend. The shares rose 14 to 417p in trade of 6.2m.

BOC, the gases group jumped 20 to 945p with dealers seeing 900p as a psychological trampoline. Shares in the company, which generates a third of its profits from Asia, fell sharply when shares, which have been problems in the region emerged. They fell again in February when the group announced first-quarter figures sharply below analysts' expectations.

A NatWest Markets recommendation helped boost Highland Distilleries, the shares hardening 1% to 290¼p.

The broker believes the rating on Highland's shares is backward looking, reflecting the disappointments of the recent past, the high cost of its corporate deals and fears over the links with Remy Cointreau. In the rest of the sector there was keen selling of spirits giant Diageo which left the shares 30% down at



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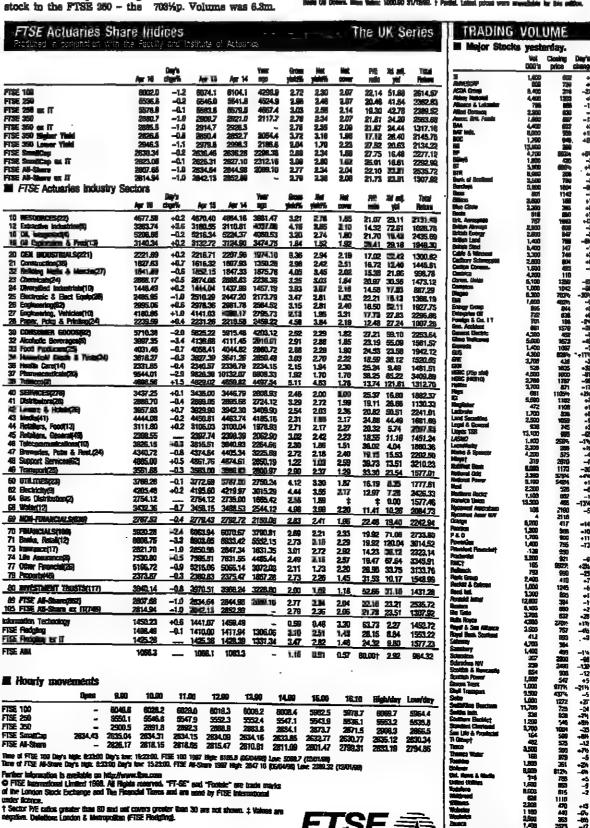
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|                         |   |   | 21  | 5984   |   |   |           |   |   | •••      |        | 100_   | . 91  |      |
|-------------------------|---|---|---|--|---|---|-----------|---|---|----------|--------|--------|-------|------|
| 1                       | C I   | P 'C  | P   | C  | P G   | P   | G         | P   | G   | 4        | Ç      | P      | 6     | 1    |
| 1                       |   |   |   |  | H 46  |   | 17%       | 40  | .4.   | 77       | 1      | 124    | -     | 174  |
|                         |   |   | 1025  |  |   |   | 150%      |   |   | 10072    | 147    | 215%   | 86    | 245  |
| 3                       | 78 1  | 50 345%   | 167%  | 316 18   | Si 2024   | 306   | 7         | 40  | 221   | 217      | 75     | 279%   | 1120  | 20.0 |
| 43                      | 5% 1ê   | 51£ 485%  | 205 2   | 45% 2  | ME SHEN   | 34  | 315%      | 2847  | 245%  | 20       | 20716  | 3377   | 226   | 3    |
| et M                    |   |   |   | <b>436</b> 3   | 44  | 1   |           | 365   |   |          |        | 400    |       |      |
| h 356                   | S Puis  | 4.234   |   |  |   |   |           |   |   |          |        |        |       |      |
| ENRO                    | STY   | E FTSE  | 166 声   | QEX O  | TON (J  | <del>110</del> 4  | 10 pt     | r tell  | India                                       | ptical   | _      |        |       |      |
|                         | 582   |   | 576   | 1925   |   | 75  | 64        |   |   | 75       |        | 25     | 81    | 70   |
| 15                      | 25h 1   | 105   |   |  | B) 27%  |   | 876       |   |   | 100%     |        | 149    |       | 196  |
| 29                      | 6% S  | 05 233  | 110 2   | DOW 12   | Db 178  | 14617   | 142       |   |   | 192%     |        |        | 1711  |      |
|                         | 63 16   | 26 重  | 176%  | 295 1  | 94 201%   | 212   | 24%       | 231%  | 2011  | 25       | 1831   | 279%   | 181   | 300  |
|                         | 25  |   |   | AN 25  |   |   | 403       | 322   |   |          | 345%   | 345    |       |      |
|                         | E2 30   |   |   | 339 33   | 579   |   | 341       | 373   |   |          | 466    | 412%   |       |      |
|                         |   |   | - Cincia  | inice in   | ipe tellen,   | Premis  | -         |   |   | nd et    | estife | ment y | ices. |      |
|                         |   | pky mos   |   |  |   |   |           |   |   |          |        |        |       |      |
| 100                     | (D)   |   |   | MT   | ISSU  | IFS   | F         | 011   | TI  | 8        |        |        |       |      |
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| P                       | 7   | (Bps.)  | High  |  | Stock   | _   |           | P   |   | -        |        | COH.   | y#4   | 1464 |
| - 8                     | RP.   | boter?  | 100   | 87%  | Aberdeen  |   | e C       | 99  | M   | -        |        | -      | 740   |      |
| _                       | <del></del>   |   | _   | 97%<br>190   | Aberdon<br>Advent 2   | VCT   | -         | 90  |   | -        | -      | -      | 700   |      |
| - 8                     | RP.   | -   | 100<br>102<br>12  | 97%<br>190   | Aberton<br>Aberton<br>Rental (I   | VCT<br>Max W  | -         | 10  |   |          | -      |        |       |      |
| - 5<br>TWD:             | 12  | 35.7  | 100   | 9775<br>190<br>1   | Aberteen<br>Advent 2<br>Herstel (I<br>Express (   | VCT<br>MEG W  | -         | 99<br>10<br>4   |   |          | Langui |        |       |      |
| TWO                     | 89.<br>98.<br>98.   | 35.7  | 100<br>102<br>12  | 975<br>190<br>189<br>409   | Aberteen<br>Advent 2<br>Huntel (I<br>Express (<br>Guardien  | VCT<br>MIXI W<br>Children<br>(T   | -         | 99<br>10<br>4<br>18   |   |          | -      |        |       |      |
| 1000<br>-               | RE RE   | 36.7<br>804.5   | 100<br>102<br>12<br>1866  | 975<br>190<br>189<br>409   | Aberteen<br>Advent 2<br>Herstel (I<br>Express (   | VCT<br>MIXI W<br>Children<br>(T   | -         | 99<br>10<br>4<br>18   |   | #<br>-1  | -      | LI     |       |      |
| 7100<br>                | RR<br>RR<br>RR<br>RR<br>RR  | 35.7<br>804.5<br>240.1  | 100<br>102<br>12<br>1886<br>4984  | 97%<br>190<br>4<br>189<br>409<br>2%  | Aberteen<br>Advent 2<br>Huntel (I<br>Express (<br>Guardien  | VCT<br>MATA WA<br>Dalation<br>(T  | • .       | 99<br>10<br>4<br>16<br>44   |   | 6H<br>-1 | -      | 1.0    |       |      |
| 1000<br>                | 88.<br>18.<br>18.<br>18.<br>19.<br>19.  | 35.7<br>904.5<br>240.1<br>4.30  | 100<br>102<br>12<br>1886<br>4884<br>31  | 97%<br>190<br>189<br>409<br>2%   | Aberten<br>Advent 2<br>Perstal 0<br>Express (<br>Guardien<br>†lawtord   | VCT<br>Max W<br>Deltas<br>(T<br>Bul Ope   |           | 99<br>10<br>4<br>14   |   | #<br>-1  | LINE   | 1.0    |       | 124  |
| \$255<br>               | REAL PROPERTY OF THE PROPERTY | 35.7<br>804.5<br>240.1<br>4.30<br>18.9  | 100<br>102<br>12<br>1886<br>4984<br>311<br>100<br>100<br>100<br>100   | 97%<br>190<br>189<br>409<br>2%<br>58%  | Abertoni<br>Advent 2<br>Herstel (I<br>Express (<br>Guardies<br>(Hersterd<br>BARSEX)   | VCT<br>MEET WE<br>Californ<br>(T<br>But Com<br>Dir Pri                              |           | 99<br>10<br>4<br>16<br>44   |   | 数        | LINE   | II)    | u     | 124  |
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| \$255<br>               | <b>以及</b><br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以<br>以  | 95.7<br>954.5<br>240.1<br>4.30<br>18.9<br>13.2  | 100<br>102<br>12<br>1886<br>1886<br>1884<br>100<br>100<br>100<br>100<br>100<br>100<br>100<br>100<br>100                                       | 97%<br>190<br>169<br>409<br>2%<br>20<br>103<br>103   | Aberdoon<br>Advent 2<br>Herstel (I<br>Express (<br>Guardian<br>(Herstord<br>BARSEZ)<br>Do Zero I<br>Do 8.5%   | VCT<br>MICH W<br>Calcium<br>(T<br>Cay 20<br>Growth                                  | M .       | 99<br>10<br>4<br>10<br>100<br>100                                       | N 20 10 10 10 10 10 10 10 10 10 10 10 10 10 | 数        | LINEA  | 1.0    | 7.5   | 124  |
| \$255<br>               | <b>以外的股份的</b>   | 35.7<br>804.5<br>240.1<br>4.30<br>18.9<br>13.2<br>20.1<br>3.25  | 100<br>102<br>12<br>1856<br>4965<br>100<br>100<br>100<br>100<br>1756  | 97%<br>190<br>199<br>409<br>2%<br>20<br>103<br>103<br>97%  | Aberden<br>Advan 2<br>Herstel (I<br>Espesie)<br>Guardien<br>(Herster)<br>De Zero I<br>De 8.5%<br>Nilerocap  | VCT<br>MEC W<br>Calcular<br>(T<br>Day Pri<br>Cay 20<br>Growth<br>CT 1               | OS TIR    | 99<br>10<br>4<br>10<br>100<br>100<br>52<br>97<br>200                    | · · · · · · · · · · · · · · · · · · ·       | 数        | LINE O | 1.0    | 7.6   | 124  |
| \$255<br>\$255          | <b>热热热热热热热热热热热</b>  | 804.5<br>240.1<br>4.20<br>18.8<br>13.4<br>20.1<br>3.25  | 100<br>102<br>12<br>1886<br>1984<br>100<br>100<br>100<br>525  | 97%<br>190<br>169<br>27%<br>103<br>103<br>97%<br>180   | Aberdoni<br>Advent 2<br>Person (<br>Guardina<br>(Harrison)<br>Do Zero I<br>De 8.5%,<br>Nicrocap<br>Nicrocap<br>Nicrocap<br>Nicrocap   | YCT<br>Mick W<br>Dates<br>(T<br>Sw Pri<br>Cay 20<br>Growth<br>CT 3                  | OS TIR    | 99<br>1(<br>4<br>10<br>100<br>100<br>52                                 | · · · · · · · · · · · · · · · · · · ·       | 数        |        | 1.0    | 7.6   | 124  |
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| \$255<br>1000<br>1000   | <b>根据税税税额额税税税税税税税</b>   | 36.7<br>804.5<br>240.1<br>4.20<br>18.9<br>13.1<br>32.1<br>32.1<br>32.0<br>40.7<br>108.8<br>6.03         | 100<br>102<br>12<br>1886<br>4984<br>314<br>100<br>1000<br>1000<br>1000<br>2100<br>2100<br>2100  | 97%<br>190<br>169<br>409<br>25%<br>103<br>103<br>52%<br>183<br>280<br>77   | Aberdona<br>Advent 2<br>Partial (II<br>Express C<br>Guardian<br>MATERIA<br>Do Servi<br>Do Servi<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap<br>Microcap | YCT<br>Milet W<br>Carles<br>(T<br>Ew Pri<br>Cav 20<br>Growth<br>CT J                | OS TIR    | 99<br>10<br>4<br>10<br>10<br>10<br>10<br>20<br>20<br>20<br>- 20<br>- 20 | · · · · · · · · · · · · · · · · · · ·       | 数        | CB2/%  | 1.0    | 7.4   | 124  |
| \$255<br>1000<br>1000   | <b>根据机械的原则加速机械加速机械</b>  | 36.7<br>804.5<br>240.1<br>4.30<br>18.9<br>13.1<br>32.1<br>32.0<br>40.7<br>108.8<br>6.03<br>18.0         | 100<br>102<br>12<br>1866<br>4964<br>103<br>1004<br>1004<br>1004<br>276<br>276<br>2104<br>226  | 97%<br>190<br>169<br>409<br>25%<br>103<br>103<br>52%<br>183<br>280<br>77<br>90   | Aberdoen<br>Advent of<br>Express (<br>Guardien<br>(Harston)<br>Bor Servi<br>Nicromp<br>Housey of<br>Color of<br>(Peel Hot<br>Onester )  | YCT<br>Mad W<br>Parker<br>(T<br>Sw 20<br>Grown<br>CT J<br>CT 2                      | OS TIR    | 99<br>10<br>4<br>10<br>100<br>106<br>52<br>97<br>200<br>- 200<br>120    | · · · · · · · · · · · · · · · · · · ·       | 数        | CBX%   | 1.0    | 7.4   | 12   |
| \$255<br>1000<br>1000   |   | 35.7<br>604.5<br>240.1<br>4.30<br>15.4<br>25.1<br>32.1<br>32.1<br>40.7<br>106.8<br>6.03<br>18.0<br>7.01 | 100<br>102<br>12<br>1866<br>4964<br>103<br>1004<br>1004<br>1005<br>276<br>276<br>286<br>1206<br>1206  | 97%<br>190<br>189<br>409<br>2%<br>90<br>103<br>92%<br>103<br>97%<br>180<br>290<br>290<br>180<br>290<br>290<br>180<br>290<br>290<br>290<br>290<br>290<br>290<br>290<br>290<br>290<br>29 | Aberdom Advent 2 Herstel (1) Equesc (2) Guardian Historian ANGERO Do 28:51 Nicrocop Idustry V Otalon's Tylent fool Openicy V 15 Westery 15 West  | VCT<br>MICK W<br>Palebas<br>(T<br>Bay Pri<br>Cay 20<br>Grand<br>CT 3                | OS TIR    | 99<br>10<br>4<br>10<br>100<br>106<br>32<br>97<br>200<br>120<br>9        | · · · · · · · · · · · · · · · · · · ·       | 数        | CBX%   | 1.0    | 7.4   | 12   |
| \$255<br>\$255<br>\$255 |   | 804.5<br>240.1<br>4.30<br>18.8<br>13.3<br>38.0<br>40.7<br>106.8<br>6.03<br>18.0                         | 100<br>102<br>12<br>1884<br>4984<br>103<br>1004<br>1004<br>1004<br>1704<br>2104<br>2104<br>1204<br>120<br>1204<br>1204<br>1204                | 97%<br>199<br>189<br>409<br>2%<br>103<br>103<br>103<br>27%<br>180<br>280<br>280<br>280<br>280<br>280<br>280<br>280<br>280<br>280<br>2  | Aberdonn Advent 2 Fernial (I Expens ( Exardina Francis Do 28:5% Nilerocup Idustry V Ostalur'a Octori S †Pred Hot Conster V †Substity Transport  | VCT<br>MICK W<br>Palebas<br>(T<br>Bay Pri<br>Cay 20<br>Grand<br>CT 3                | OS TIR    | 99<br>10<br>4<br>10<br>100<br>106<br>52<br>97<br>208<br>120             | · · · · · · · · · · · · · · · · · · ·       | 数        | CBX%   | 1.0    | 7.4   | 12   |
| \$255<br>1000<br>1000   | <b>热热热热热热热热热热热热热热热热热热热热热热热热热热热热热热热热</b>   | 35.7<br>804.5<br>240.1<br>4.30<br>18.9<br>13.2<br>30.0<br>40.7<br>106.6<br>6.03<br>18.0<br>7.01         | 100<br>102<br>12<br>1866<br>4984<br>314<br>1034<br>1006<br>1206<br>2104<br>236<br>1206<br>1206<br>1206<br>1206<br>1206<br>1206<br>1206<br>120 | 97% 199 109 409 2% 103 103 103 103 103 104 100 107 100 107 100 107 107 107 107 107   | Aberdonn Advent 2 Fernial (I Expens ( Exardina Francis Do 28:5% Nilerocup Idustry V Ostalur'a Octori S †Pred Hot Conster V †Substity Transport  | VCT<br>Later W<br>Carless<br>Cir 20<br>Growth<br>CT 3<br>cts<br>cts<br>ctr 2<br>cts | OS<br>Tut | 100<br>44<br>44<br>100<br>100<br>100<br>100<br>100<br>100<br>100<br>10  | · · · · · · · · · · · · · · · · · · ·       | 数は、      | CB/%   | 1.0    | 7.4   | 12   |

| RIC                   | HTS (                  | )FFEF                       | S                             |                                 |   |                              |             |
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| printe<br>P           | Antolety<br>paid<br>10 | Lainet<br>Recus.<br>cinin   | 196<br>High                   | Low -                           | Stock   | Closing<br>priou p           | +01-        |
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|                       | SE GOL                 | D MI                        | NES II                        | NDEX                            |   |                              |             |

|   | FTSE GOLD  | MIN                     | IES I                 | NDE                      | K                       |                      |             |                            |            |
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|   | Oakl Minns Index (22)                                    | 1283.07                 | +8.0                  | 123.67                   | 1636.16                 | 1,00                 | -           | 1610.63                    | 10         |
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|   | FINANCIAL TIMES FRIDAY APRIL 17 1998 *   | 35   |
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|   | Highs & Lows shown on a 52 week basis  WORLD STOCK MARKETS   |  |
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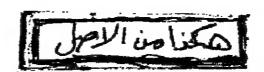
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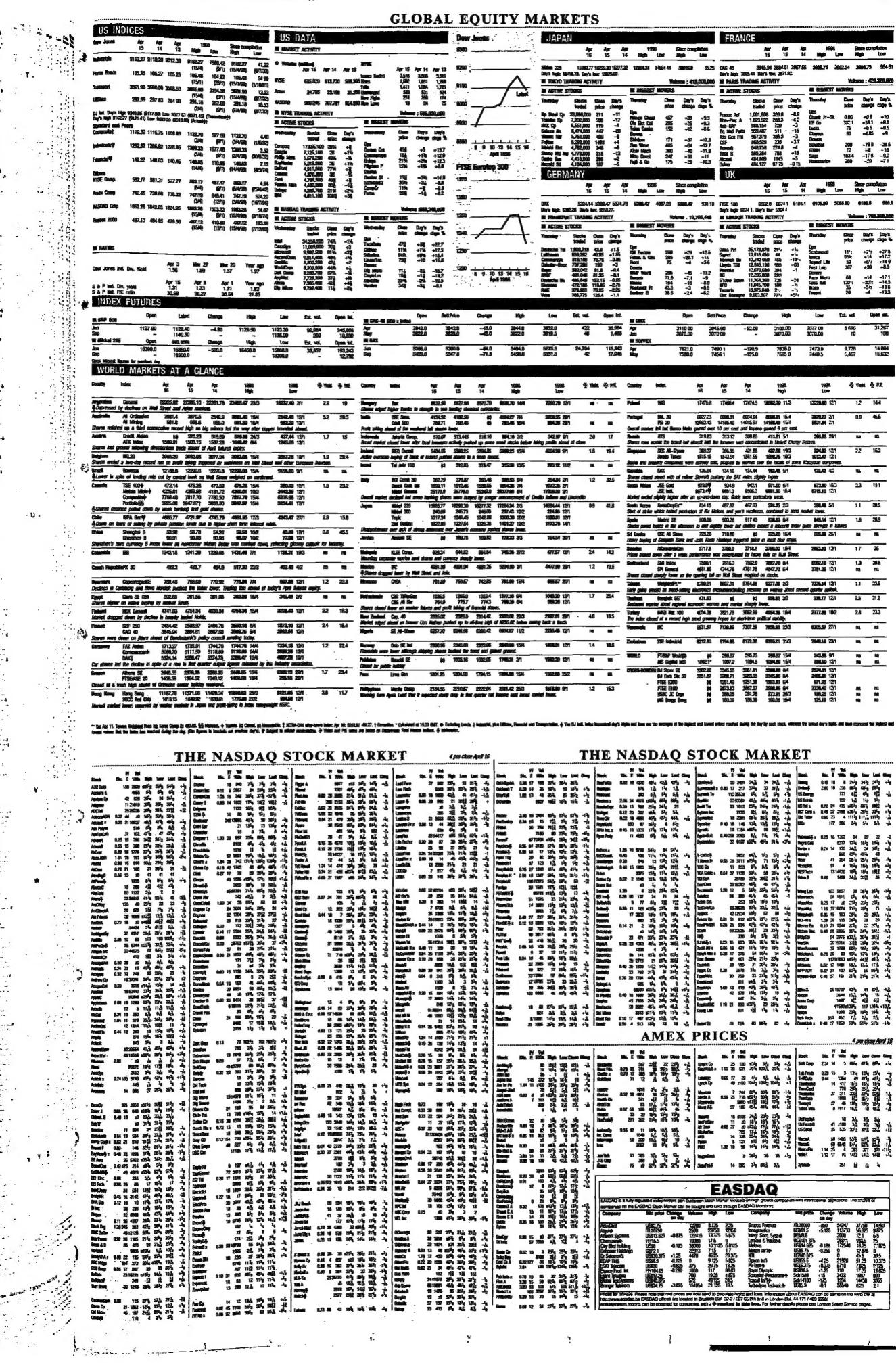
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# STOCK MARKETS

# Bourses' discontent with G7 halts bull run

WORLD OVERVIEW

Equity markets expressed statement from the G7 ing a halt to the recent bull run, writes Philip Coggan.

The statement expressed support for the yen but there's not much of an eco- of bad news is yet to come. promised no concerted intervention in the markets.

The Nikkei 225 average

ulus to the economy.

director, investment strategy at HSBC Securities, said: of the strike at Kia Motors; G7 could do. No-one in the world wants the Japanese currency to get weaker but nomic argument for a stronger yen.

After their rally in the dropped more than 400 first quarter, the evidence of points on the lack of action economic and corporate compelling a few months record-breaking run past the remain at a low level for a weakness has recently ago, have lost their allure 9,100 level. But Paris and

other Asian markets.

The Korean market fell nearly 3 per cent in the face "There's not much else the the Malaysian bourse dropped 2.4 per cent on fears of mounting corporate failures. Investors fear that a lot

The asset allocation team at Salomon Smith Barney is Industrial Average suffered underweight emerging Asia, an initial bout of profit-

Expectations that the

merger would speed up the

consolidation process of the

Italian banking industry

boosted some other banking

stocks. Banca di Roma rose

earnings and earnings fore- anbul bucked the trend to the team said.

European markets might have managed to shrug off Asian weakness were it not for a poor start on Wall Street, where the Dow Jones "Valuations, which were taking after its recent

record all-time highs. "The risks to owning equi-

ties have gone up," admits the global strategy team at Goldman Sachs, who have been consistently bullish. "Current equity valuations

are implicitly pricing in high returns on equity capital at the same time as bond yields

to produce any further stim- started to bear down on following market rebounds Frankfurt both fell 1 per this assumption is ultiin January and February cent while Zurich dropped mately disappointed."
and downward revisions to 1.5 per cent; Athens and Ist"Nevertheless, we are still overweight equities versus bonds," adds the team.

"We feel that an equity market correction would probably come from rising bond yields but the economic backdrop looks like keeping bond yields low for some time yet. We remain on alert.

London market, Page 34

# Banks climb as Milan drops

#### Dow gives back some of EUROPE Futures-related selling an the early retreat on Wal Street sent MILAN lower though much of the day interest focused on banking shares following the weakened and the Nasdag announcement of Credit

markets in morning trade, gains made earlier in the week, urites John Labate in New York.

By early afternoon, the Dow Jones Industrial Average had lost 81.46 to 9,080.81, 500 was down 10.77 to 1.108.55.

"It's a normal pull back day," said Larry Wachtel, market analyst at Prudential Securities. "With the Dow up four days, it's going to hit

the wall sooner or later."
In the Dow, Merck lost \$311 to \$119% after releasing earnings in line with expectations. American Express was down \$2층 to \$101층.

keting company, was at the centre of attention. It plunged more than 47 per response to Wednesday's announcement that possible accounting irregularities might force the company to restate earnings. Cendant's warning spilled over to American Bankers, which it

on profit-taking after two ment.

consecutive days of gains.

shares and the IPC index fell

lending rates by the central

1.5 higher to 8,201.4, a third

consecutive record high.

15.12 to 4.975.92.

SOUTH AFRICA

bank on Wednesday.

composite fell 6.65 to Italiano 1,856.61. Semiconductor credito. shares were generally lower, sending the Philadelphia Stock Exchange's chip index down 4.01 to 303.97. Micron Technology lost \$1% to \$28%,

but Texas Instruments gained \$1% to \$58 after it announced sharply lower earnings but said it expected Apple Computer rose \$14 to \$281/a after the company topped earnings expectations

late on Wednesday. But other computer makers were mixed, with Compaq down sector, E\*Trade fell \$1 to \$21% and Ameritrade lost \$19 to \$24% after online broker Charles Schwab said its margins were hurt by its inter-

cap shares was down 2.24 to TORONTO was lower at

The technology sector 55 cents lower at C\$70.90.

to 7,500.1. The financial sector was under pressure with UBS down Fr65 to SFr2.507 and its merger partner SBC

L117 to L3.224 while BCI

Mediobanca, which is 25

per cent owned by Credito,

gained L29 to L9,515.

profit-taking put pressure on

Baloise, a perennial beneficiary of as yet unfounded merger speculation, shot up SF172 to SF13,402.

SFr139 to SFr2.399 after reporting net income rose 12 per cent in the first quarter. was also optimistic about sales for the rest of 1998. Holderbank dropped SFr59

to SFr1,631 after gaining about 6 per cent since the start of the week. FRANKFURT was lower in

late electronic trade that left the Xetra Dax below 5,300 points. The index finished 66.27 lower at 5,292.97 with weakness seen in the insurance sector as investors took profits on recent sharp Allianz fell DM12.70 to

DM592.25 while Munich Re lost DM17.25 to DM982.75. Mannesmann also saw

hefty profit-taking after Wednesday's gains, which followed the company's earnings press conference. The shares lost DM47 to DM1.514.

PARIS was lower for the fell on profit-taking for the fifth time in six trading days as the market consolidated after its near 30 per cent rise since the start of the year. The CAC 40 index fell 38.67

BNP, down FFr15 or 2.9 per cent to FFr511, Eridania, at FFr1,221 and Pinault Printemps, which dropped

| EUROPE   | FTSE Actua   | European series  |  |   |  |  |   |
|--|--|--|--|---|--|--|---|
| Futures-related selling and<br>the early retreat on Wall<br>Street sent MILAN lower.   | April 16<br>Perional & Regional<br>Marketa   | Ecu<br>Index   | Day's  | change<br>points                                      | Yeard<br>gross %                             | ná aci.<br>Tur                               | Total retr.<br>(Eco)                                |
| though much of the day's<br>interest focused on banking  | FISE Eurotop 300<br>FISE Eurotop 100   | 1235.53<br>2840.06   | -1.28<br>-1.18                                     | -15.86<br>-33.87                                      | 1.89   | 5.50   | 1251,07   |
| shares following the<br>announcement of Credito<br>Italiano's merger with Uni-<br>credito.   | FTSE Eurotop 208 Ba<br>300 UK<br>300 Ex-UK<br>300 Eurobioc<br>300 Ex-Eurobioc                                | 1200.40<br>1256.20<br>1237.16<br>1237.30                       | -0.87<br>-1.49<br>-1.29<br>-1.26                   | -10.57<br>-19.04<br>-16.23<br>-15.51                  | 2.76<br>1.43<br>1.61<br>2.10                 | 11.73<br>1.96<br>2.25<br>7.84                | 1233.16<br>1261.50<br>1244.32<br>1258.78            |
| The Mibtel index closed<br>down 598 or 2.3 per cent to<br>25,178 although Credito Ital-<br>iano surged L845 or 8.9 per<br>cent to close at L10,377 after<br>jumping more than 10 per | FTSE Employ 300 foo<br>Resources<br>Seneral Industries<br>Contrare Goods<br>Santos<br>Usation<br>Florencials | 1017.18<br>1169.85<br>1159.11<br>1183.21<br>1327.80<br>1411.54 | -0.08<br>-1.02<br>-1.52<br>-0.61<br>-0.54<br>-2.08 | -0.83<br>-12.04<br>-17.91<br>-7.22<br>-7.19<br>-20.92 | 2.70<br>1.78<br>1.59<br>1.87<br>3.33<br>1.75 | 3.82<br>5.42<br>5.22<br>5.07<br>1.84<br>7.51 | 1035.54<br>1178.51<br>1177.04<br>1197.85<br>1349.96 |

ING lost F1 3.70 to F1 135.70.

3.22 to 900.06. Telefónica rose Pta70 to Pta6.750 but Bankinter lost Pta510 or 4.7 per cent to Pta10,330 on disappointing first quarter results. JP Morgan removed the shares from its preferred stock list, also

MADRID edged down on

light profit-taking with the

general index losing only

ghing on sentiment. MOSCOW forged 2.1 per cent higher in active trading in spite of a heavy round of profit-taking late in the session on fears that the Duma would once again reject President Boris Yeltsin's nominee for prime minister

The RTS index closed 7.28 higher at 319.83.

climbed ISTANBUL another 6.1 per cent as hopes continued to grow for

index ended 232.63 higher at a record 4,054.38, supported by a pledge from opposition der Deniz Baykal to maintain backing for the minority coalition government in the near term. Volume shot up to an

The IMKB National-100

all-time high of TL186,760bn, compared with the previous high of TL128,820bn set on October 20 last year. ATHENS extended its

record-setting streak, sending the general index up 4.7 per cent to above 2,400 points on growing capital inflows and a positive privatisation outlook. News that National Bank

planned to merge with its subsidiary, National Mortgage Bank, came after the market closed. Analysts said, however,

that, coupled with the government's firm stance on speeding up privatisations, the National Bank group merger practically wiped out the chance of a market correction in the near-term. The general index jumped

109.27 to another all-time high of 2,448,55. The construction sector was awakened from its recent lethargy, advancing 7.4 per cent, followed by banks and industrials which marched 4.6 per cent and 4.5 per cent higher.

Written and edited by Michael Morgan, Emiko Terazono and Peter Hall

**EMERGING MARKET FOCUS** 

## Argentina given benefit of doubt

An IMF mission, which left Buenos Aires last week, flagged Argentina's rising trade deficit as an area of serious concern and offered detailed prescriptions to cool the domestic economy.

But economy minister Roque Fernandez politely declined the mission's advice and reiterated the government's litany that the trade deficit was healthy, with record foreign investment fuelling capital goods imports which would ultimately benefit the economy. In the absence of any big

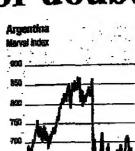
corporate moves, investors have been left pondering these two very different diagnoses. The local media have picked up the debate with glee and every commentator in town has been hether Argentina is motoring along nicely after last year's 8.4 per cent growth, or careering towards the abyss.

Economy ministry and central bank officials appear unruffled. "Our policy is one of total transparency," said one official. "All the information is out there, so it's up to investors to decide." For the time being, inves-

tors appear willing to give them the benefit of the doubt. Although last week saw nervous selling in the stock market, it never developed into a rout. The tone has been firmer recently. helped by some crumbs of comfort from Michel Camdessus, IMF managing director, who made clear that Argentina's relationship with the IMF remained intact.

"The consensus among investors is that the IMF demand to cool the economy not justified," said Roberto Guevara of Caspian Securities. "But they like the fund keeping up pressure for structural reform, especially on the labour front." The Merval leading share

index edged back early yes-



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changed from last year's closing levels, the Merval has missed out on doubledigit percentage rises registered in other markets, including São Paulo.

With foreign investors either absent or net sellers, the market has struggled to recover its pre-Asian crisis dynamism. However, Argentina's private pension funds, AFJPs, continue steadily to buy up their favourite stocks, at least establishing a floor under the market, in March, the AFJPs invested \$140m in stocks. Caspian estimates, sharply up on the recent monthly average.

What would it take to tempt the foreigners back? "T ter trade figures later this year and the deficit fears will start to ease," said Christopher Ecclestone of brokers, Interacciones. It could also bring some

more supply to the market. There is a potential \$6.10n of new equity issues in the pipeline this year, Caspian estimates, against a total market capitalisation of \$57bn. The offerings comprise the sale of remaining government and employee stakes in privatised companies, new privatisations, plus IPOs and rights offerings. But until the market sparks back into life, the big

Ken Warn

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#### FFr150 or 3.4 per cent to FFr4,205, all weighed on the index. Motor components manu Interest rate worries and facturer Ecia and institutional caterer Sodexho Alli-CS Group, down SFr9.50 to ance bucked the lower trend, SGFr318, while insurer Zur- Ecia gained FFr115 or 6.9 per ich Group fell SFr15 to cent to FFr1.780 on the back SFr917 arter its recent sharp of consolidated first-quarter Speculators bid up Sodexho Alliance in anticipation Before you put it on that it will soon be included your letterhead. Pharmaceuticals and Havas. Sodenho rose FFr60 chemicals were hit by US or 5.6 per cent to FFr1,130. AMSTERDAM put it in our survey. dragged down by optionslinked activity and the AEX index fell 20.24 or 1.7 per cent to 1.157.10. Options-linked selling hit financial stocks. ABN Amro But Ares Serono jumped fell Fl 1.90 to Fl 52.40 while meted Won610 or 11.5 per cent to Won4,690. Its affili-SINGAPORE was marked almost 2 per cent lower on ate, Kia Motor Sales, lost fears of instability in the Won110 to Won2.200, Worries Malaysian corporate sector. that the Kla strike might The Straits Times Industriignite similar moves at other als index fell 28.79 to 1,515.15. corporations depressed senti-Banks and property com-Exporters also lost ground trading. The finance index as the yen weakened. Disap- fell 2 per cent with DBS down 25 cents to S\$7.7 while of an agreement to prop up OUB fell 14 cents to S\$4.64. HONG KONG was unnerved by weaker marindustrials. Samsung Elec- kets in Japan. While the tronics fell Won3,100 to market managed to trim Won68.600 and Pohang Iron some of its early losses, and Steel Won1,300 to which took the Hang Seng index to a low of 11,110.59, BANGKOK tumbled 3.3 the measure still closed per cent on sustained 188.28 or 1.6 per cent lower regional economic worries at 11.187.78. HSBC lost HKS9 to HKS238 where in the region. The as the market mulled com-SET index lost 14.50 to 431.63 ments by John Strickland, as the market returned from an executive director, that sure on Japan to implement Industrial Bank of Japan lost a three-day trading holiday, the bank had not altered its with investors also gloomy expansion plans as a result about forthcoming first-quarof recent bank mergers in ter corporate results. The FT Queen's Award Survey - Tuesday April 21. **KUALA LUMPUR lost 2.4** MANUA slipped as Ayala If your company has won a Queen's Award, let the business world know by advertising in

the FT Queen's Award survey. For more information, please contact: Lisa Goodall on Tel: +44 171 873 3301 or James Burton on Tel: +44 171 873 4677 or Fax +44 171 873 3062.

**FINANCIAL TIMES** 

# week's gains US shares went along with the lower trend seen in other

while the Standard & Poor's an improvement this year. almost 200 points in the past \$\% to \$26\%. In the internet

net business. The Russell 2000 of small Cendant, the direct mar-

MEXICO CITY lost ground Wall Street dampened senti-

Johannesburg displayed 923. The heavily traded De

some resilience in the face of Beers, and Anglo, which

falling markets elsewhere each rose 480 cents to and the overall index edged R131.80 and R227.60, helped

Industrials eased 0.1 per cents higher to R48.60.

midsession with the TSE-300 cent or \$16# to \$194 in composite index down 45.55 at 7,772.10 in volume of 34.1m shares. Banks were weak on concerns about a near-term

Bank of Canada rate rise and waning speculation about the possibility of a merger in had recently planned to the sector. Canadian Impeacquire. American Bankers rial Bank of Commerce fell fell more than 9 per cent or 90 cents to C\$55.50 while Toronto Dominion Bank was

third consecutive day, losing L25,943. ZURICH lost 1.5 per cent. weighed down by Wall to 3,845.94. Mexico City falls back Street, profit-taking and a

The central bank lowered Weakness on Wall Street its prime rate to 23.25 per and Asian markets also hit cent from 28 per cent, in line SFr14 lower at SFr542. with expectations. Telecom-

munications group Telebrás SAO PAULO retreated in lost R\$2.01 to R\$146.99 ahead spite of a cut in monthly of its options expiry. BUENOS AIRES lost some marginal ground ahead of The Bovespa index fell 107 the options expiry. The Merto 12,192 as the decline on vol index slipped 1.06 to 682.

Johannesburg edges higher cent to 9.673.4 and golds

selling. Roche certificates lost SFr300 to SFr15,100 and Novartis was down SFr30 at SFr2.5829. Ciba, which reported sales figures up 4 per cent in the first quarter fell SFr3.50 to SFr191.50.

lack of follow-through buying. The SMI index fell 116.2 FFr48 or 3.8 per cent lower

# Nikkei tumbles below 16,000

#### **ASIA PACIFIC**

Disappointment that the meeting of G7 officials in Washington did not produce a stronger statement on Japan sent TOKYO's Nikkei 225 index below the 16,000 line for the first time since April 7. writes Gillian Tett in Takyo.

The Nikkei fell 415.53 or 2.6 per cent to 15,883.77, after trading between 15,875.07 and 16,416.73. Volume on the first sec-

tion came to an estimated 400m shares, sharply up from Wednesday's 230m. The broader-based Topix fell: Taisei dropped Y17 to index (ell 24.11 or 1.9 per index fell 271.72 or 1.6 per

cent to 16.482.25. Market traders had hoped that the G7 would put pres- showed some sharp falls: further economy-boosting Y36 to Y860, Fuji Bank Y38 measures and hence help to to Y740. Sakura Bank Y23 to boost Tokyo stocks. Stocks were also dragged down by Mitsubishi Y30 to Y1,620. yen weakness after G7 officials repeated they would that rose was airlines. All support it. Of the 1,328 issues

remained unchanged. The construction sector 13.72 to 454.15 as Kia plum- since it started in 1987.

Kla Motors Share price and undex irebused

were 1.3 per cent lower at

the market higher. Overseas

demand sent Barlows 130

Kia Motors 1997 Apr

Y313. Obayashi Y31 to Y620. cent to 1,217.34 and the OSE Shimizu Y19 to Y409, and Nishimatsu Construction Y24 to Y573.

The banking sector also Y447, and Bank of Tokyo-

monitor developments in the Nippon Airways and Japan currency market, rather Airlines each rose Y2 to than actively intervene to Y580, and Y417 respectively. listed on the first section, cent, depressed by the start losers outnumbered gatners of strike action which halted

The only industrial sector

pointment over the absence the yen at the G7 meeting triggered selling of blue-chip Won61,700.

and in line with falls else-

per cent on fears of an increase in corporate fail- plus drop in first-quarter ures. The composite index profits. The composite index lost 15.28 to 629.34 as weak was lower for a second day. business confidence figures SEOUL lost nearly 3 per unnerved investors. The business conditions index for the first quarter, covering 939 to 207, while 110 issues production at Kia Motors. 600 manufacturing compa-The composite index fell pies, fell to the lowest level

Land forecast a 40 per centlosing 26.02 to 2.184.55.

Avala Land picked up from a low of 17.25 pesos to close unchanged at 17.75 while its parent company, Ayala Corp shed 50 centavos